密勒氏評論報

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

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THE REAL DANGER OF THE PRESENT SITUATION

THE OCCUPATION of practically all of China's territory south of the Yangtsze River by the Southern or Kuomintang Party, brings up again in dangerous form the old question of splitting China into two nations with the Yangtsze River as the dividing line. Undoubtedly Secretary Kellogg must have sensed this when he gave out an interview a few days ago to the effect that America would not recognize the Canton Government. There are many interests which would like to take advantage of the present political situation to force a division of China into two separate political entities, one with the capital at Peking and the other with the capital at Wuchang, the Northern area to be dominated by the Japanese and the Southern to be dominated by the British. Negotiations are now proceeding in Hankow between the new British Minister, Mr. Miles W. Lampson and the leaders of the Chinese Southern Government and although nothing authoritative has been given out regarding the matters discussed, there are rumors in circulation that great inducements are being held out to the Southerners to stop the present war and become reasonable. And a few days ago there was a report from Tokyo hinting that pressure might be exerted upon Marshal Chang Tso-ling by Japan having a similar end in view. Although there is little tangible evidence, Chinese who have the real interests of their land at heart should be on their guard against these 'Greeks bearing gifts' otherwise they may wake up and find two Chinas where only one existed before. Although China has been practically without a central government for a considerable period, the country has been able to hang together and repel foreign aggressors, but now with the situation narrowed down to two major political factions about equally balanced on opposite sides of the Yangtsze, there will be a strong incentive to stop at this point and preserve the so-called *status quo*, otherwise permit Chang Tso-ling to rule north of the Yangtsze and Chiang Kai-shek in the territory to the South. It would be a comparatively simple matter for foreign interests, through the bait of "recognition" to bring about this situation, which in the last analysis would be a revival of the old 'sphere of influence' doctrine in a much more dangerous form than it existed previously. The dangers of this situation to American and other interests, aside from the British and Japanese, should be self evident, and therefore there is hope that the statement by Secretary Kellogg, referred to in the foregoing, is indicative that he is being intelligently advised regarding the present trend of events in China.

U. S. FOREIGN TRADE NECESSARY FOR DOMESTIC STABILITY

THE AMERICAN Chamber of Commerce of Shanghai showed good sense last week when it invited Dr. George B. Roorbach of the Harvard School of Business Administration to deliver an address on the subject, "Fundamental Business Conditions in America." Usually the Chamber limits its invitations to diplomats and "big" business men traveling in these parts and they usually tell us a little about things and conditions, regarding which most of the audience usually knows more than the speaker. But Prof. Roorbach's talk was different in that he gave a real insight into the fundamentals of American economic development, a matter of great importance to Americans in this part of the world who are interested directly or indirectly in the subject of foreign trade. The present prosperous conditions existing in America are due, according to Dr. Roorbach, to the fact that the economic life of the United States has been 'smoothed out' through a diversification of industry which has made fluctuations less frequent and less drastic in their up and down curves. This has heen due to the creation of machinery for the control of credit and the growing knowledge of the business 'cycle.' Scientific study has even minimized the adverse effects of weather, natural calamities, wars and such things. From the standpoint of foreign trade, Dr. Roorbach explained that while importing and exporting is comparatively unimportant when compared with the domestic trade, being only 10 percent of the total, it is of tremendous importance as a stabilizing factor. Up to 1900 there was little interest in foreign trade despite the fact that American raw products were being sold in large quantities. Since 1910 however the interest in foreign trade has increased tremendously and now there is a general realization that a steady and developing foreign commerce is necessary as a stabilizing factor in the domestic trade situation. Owing to the development brought about by the World War, most Americans have thought of foreign trade only from the standpoint of exporting. Now, however, in Prof. Roorbach's opinion, interest is rapidly turning in the direction of importing owing to America's new position as a creditor nation. In his opinion imports will now keep on growing until they pass exports, a necessary situation since it is only in this way that debtor nations can pay their bills to America.

CASH SHOPS PREVENT CURRENCY REFORM

THE CASH SHOP guild has taken a firm stand against the "big-small" money notes introduced by the Bank of China and the Bank of Communications. They refuse to handle them, giving as the reason that the "printing is bad," and that therefore the notes can be easily counterfeited. There is a clever appeal to prejudice in this objection. Most of the banknotes in use in China have been printed by the American Banknote Company, but these new notes have been printed in England, by the house of Waterlow, which is England's leading engraving house. It needs no seer to understand the real reason of the objection which the cash shops have to the introduction of these notes. Should the currency of China be standardized, the cash shops would, like Othello, find their occupation gone. The many thousands of cash shops in Shanghai and the many hundreds of thousands of them throughout China make their profit from the changing of the various sorts of currencies in use, and particularly from the exchanging of this depreciated small currency. The men at the bottom must bear the burden; the cash shops reap the benefit. It was stated in an article in *The Review* last week that great credit is due these banks for introducing this currency and it is to be hoped that not only will this innovation succeed, but that it may prove the basis of still further improvement in China's currency. Incidentally it may be stated that the cash shops were put under license as the result of a campaign in *The Review* to that end, and the hint is here thrown out that in case the cash shops should continue their campaign against an innovation that is so obviously for the public benefit still further regulation of their operations could be introduced.

THE FOREIGNER WHO WORKS WITH HIS HANDS!

ONE OF THE amazing accomplishments of Shanghai in recent years has been the absorption of a Russian population numbering anywhere from eight to fifteen thousand souls. Six years ago when the Russian refugees first began to drift into Shanghai, they constituted a serious problem on the part of the foreign and Chinese public owing to the fact that the Russians did not 'fit into the picture.' Most of them were without property, were unable to speak the English or Chinese languages, and hence constituted a serious burden and had to be supported through charitable organizations. For the first two or three winters, following the advent of the Russians, it was necessary to maintain public 'soup-kitchens' otherwise hundreds would have starved to death. But now, the Russian residents of Shanghai have 'dug in' and become a part of the community and no longer constitute a problem: rather they have and are contributing materially to the well-being and prosperity of the city due largely to the fact that they occupy a middle position between the Chinese who do all the manual labor and the Westerners who hold the 'white-collar' jobs, otherwise the management of the foreign business firms and municipal government departments. Before the Russians came to Shanghai one seldom saw a white man doing manual labor here, but now it is not unusual to observe white men (Russians) doing work which previously was exclusively the function of the Chinese. A few days ago there was a fight between Chinese and Russian chauffers, a natural outcome of the white man's invasion of the yellow man's sphere of activities. During the strikes and labor disturbances following the May 30 troubles of 1925, Russian laborers exercised an important function here in keeping certain municipal departments such as the water and electric works going when the Chinese laborers were on strike, and in addition to this they performed an important service in keeping the coastwise and river shipping moving. Another place where the Russians seem to have 'dug in' is in the Municipal police department where more than a third of the foreign constables are Russians, the municipal officials apparently finding them preferable to the Englishmen (or Irishmen) previously brought out from London. From the standpoint of the commercial life of the city, the Russians are also performing an important function, being able apparently to compete with the Chinese in the management of small retail businesses, otherwise we would not find whole streets given over to Russian retail shops. Then finally there is the amusement business or as it is popularly designated, 'Shanghai's night life' which is almost entirely dominated by the Russians. From the orchestra which dispenses the

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Why Sun Chuan-fang Is Losing Out

BY B. L. CHEU

SINCE the first indication of a Southern advance into the former Wu Pei-fu sphere of influence was evidenced in the struggle for supremacy in Hunan, the position of General Sun Chuan-fang has been indirectly effected. The military overlord of the five provinces of Chekiang, Kiangsu, Anhwei, Kiangsi and Fukien, since his rise to supremacy in the lower Yangtse, had as his neighbors in the important provinces of Hupeh and Hunan, men belonging to the clique of Wu Pei-fu, his former superior. A change of control in the tupanship of either one of these provinces, not to mention both of them, was sufficient to cause uneasiness on the part of Sun.

Prior to the Kuomintang rising significant events were taking place in the North. Marshal Feng Yu-hsiang, leader of the Kuominchun, whose acclaimed principles of a nationalist government were somewhat similar to the Kuomintang platform, was at this time holding the district around Kalgan, with Nankow as his base, having been forced to that position from the Capital area by Chang Tso-ling, with the support of Gen. Yen Hsi-shan of Shansi. Wu Pei-fu was conspicuous in the Capital territory, with Fengtien less hostile to him than to the Kuominchun chief. This condition of affairs did not come about through accident, but was the direct result of the proceeding activities of three leaders.

Events in the North

The "Christian" General, when a Division Commander under Wu Pei-fu in the Anti-Fengtien Expedition, at the height of the Tsao Kun regime, by beating a retreat to Peking had caused Wu to fall into complete oblivion. Feng next deposed Tsao Kun, and having thus eclipsed the Chihli party he entrenched himself in the Capital area, until Fengtien came down and drove him out. Feng revenged himself on Chang Tso-lin for this humiliation by inciting Kwo Sung-ling, Chang's most powerful subordinate into a rebellion which almost wiped out the Mukden warlord. He was only saved by Japanese intervention.

Here the fallen Wu rose again into prominence and succeeded in ousting Tuan Chi-jui from the acting presidency, brought Peking again under his own influence. Both Wu and Chang could not help feeling an intense hatred towards Feng, for the clever deals handed them. The Fengtien and Chili leaders decided to set aside their traditional enmity against each other and join hands in an effort to eliminate their common enemy. After weeks of matchmaking by their representatives the two Leaders actually came together in a spectacular Conference in Peking. That much-heralded Conference of the "two big heads" lasted however no longer than twenty minutes, and it was predicted by many that the new-found Fengtien-Chihli Alliance was destined to be short-lived. Nevertheless that Conference had a bearing upon events immediately following.

The Drive Against Feng

Feng was stationed at Nankow, a comparatively outlying district, and Chiang Kai-shek's name was then hardly known at all, nationally speaking. Marshal Wu, mildly elated at finding himself once more in the lime light, tried to exert an influence out of all proportion to his real strength. In fact he regarded the subjugation of the Kouminchun as a mere incident in his larger program of once more forcing the Constitutional issue. Chang, on the other hand, played the game more judiciously. He did not attempt too much with affairs of state, adhering cautiously to his end of the bargain.

A joint attack on the Nankow Pass revealed Wu's military weakness in the North. In contrast with the progress of the Fengtien generals, Wu's man failed to make any headway on his flank. When the Kuominchun evacuated Nankow, Mukden had a just claim to the victory, and supplemented that claim with demands for territorial rights around Paoting, the former Chihli stronghold which of course had to be respected.

The Canton Sensation

Canton's Northern Expedition was simultaneously launched as the Kuominchun's invasion of the Northwest, so that before the closing of the Nankow chapter, an acuteness in the situation in Hunan was felt. Chao Heng-ti the much harassed tupan, was soon defeated by General Tang Sung-chi, fighting under the Kuomintang banner. From Peking Wu Pei-fu commissioned Gen. Yeh Kai-hsin in Hunan to start a counter attack against Tang Sung-chi, which had a little initial success. Tang quietly awaited reinforcements from Canton and was greatly strengthened first by the backing, and then the presence, of Chiang Kai-shek—the man of destiny, as later developments proved.

Minor cities fell in rapid succession to the hands of the Kuomintang. Hunan was utterly in a demoralized condition and wailed for the helping hand of Wu Pei-fu. A timely arrival of Wu would have meant a tremendous moral support, and with adequate reinforcements might indeed have turned things out differently for the entire Kinhan-line was under his full control and his forces in the North were still considerable. But Wu attached more importance to the Northern situation, and underestimated Chiang Kai-Shek almost to the extent of ignoring him. Even the fall of Changsha did not receive much attention. He was averse to leaving the Capital area and lingered at Changsintien till the fall of Yochow hurried him southward, with a couple of detachments. But it was all too late. Even the mighty Wu could not stop the rapid advance of the Southern army.

Canton's Drive on Wu-Han

Canton's next step naturally was to capture the Wuhan Cities. It was in the district of Hien-Nin along the Kin-Han line, some thirty miles from Wuchang, that the decisive battle for the possession of Hupeh, was fought. Here under terrific Southern fire the undauntable Wu gave orders to fight to the last and under no circumstances to retreat. The story is pathetically told of the Marshal's waking in the morning to find himself in Wuchang, having been transported there in his train—his commanding quarters, at the front—by his subordinates that loved and feared him.

Almost on the eve of the Southern attack on the Wuhan Cities Gen. Liu Tso-lung was commissioned in charge of the important city of Han-Yang, where the arsenal is situated. Gen. Liu had but a few months ago been turned down by Wu for the tupanship of Hupeh, and offered no equivalent post for consolation. He now conveniently switched himself to Chiang Kai-shek's side, and made the fall of Han-Yang a simple matter, Wu was informed of this episode on the train, and instead of making a futile struggle in the face of apparent odds, promptly made his get-away from Hankow, leaving Wuchang in charge of Gen. Liu Yu Chun.

The South from both a humane and military viewpoint did not choose to stage a violent bombardment upon the Hupeh capital with over a hundred thousand inhabitants. They only made a mild seige with a handful of troops, devoting the greater part of their men to operations down the River. What will be handed down in history as a horrible incident of this war was Liu Yu-chun's failure to surrender for over three weeks, causing thousands of innocent citizens in the besieged capital to be mercilessly starved before the city was taken—a procedure more in keeping with mediaeval than modern thought or warfare.

Sun Chuan-fang's Position

When Marshal Sun Chuang-fang entered the arena his five provinces were still intact. He did not lack men, munitions or money. Himself a renowned commander, he had two or three generals of proven ability and trustworthiness who had gained him honor on many a field of battle. In point of military strength, therefore, Sun was generally believed to be superior to Chiang Kai-shek. Sun's worries lay in the matter of the ultimated dependability of the attitude of some of his colleagues, notable Tupan Teng Zu-cho of Kiangsi and the Civil Governor, Hsia Chao, of Chekiang. The unexpectedly rapid exit of Wu Pei-fu could not but have a morbid effect upon the spirit of Sun's following, while at the same time tremendously augmenting the prestige of the Kuomintang.

Sun Chuan-fang's swiftness in mobilization is a well known fact, and the South did not catch him unprepared. The overlord of the lower Yangtse lost no time in establishing headquarters in Kiukiang and was even personally on hand to direct operations right from the opening of hostilities. Tupan Teng Zu-cho's deserting his post during the early stages of the conflict caused no serious consequences by virtue of Sun's presence. In the preliminary encounters at Wu-Hsueh, on the boundary line of Hupeh and Kiangsi, the Kuomingtangs were almost annihilated. They found Sun's defense hard to penetrate. It was at the expense of heavy losses that the South gained some ground and started firing on Kiukiang. The city fell, but was soon regained. Heavy fighting continued with both sides suffering disastrous casualties, and Kiukiang was again captured by the South.

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latest American 'Jazz' down to the cafe where dancing partners are provided at fifty cents a head and receive commissions on all 'bottles of wine' sold the Russians are the dominant factor. All of these Russians from the old czarist general who runs a grocery store to the Siberian village maiden who helps the lonely sailor while away an evening, belong to the 'Whites' and declare in no uncertain terms that they hate the 'reds.' But they are all Russians nevertheless and provide a potential asset for future Russian governmental activities in this part of the world.

Meanwhile affairs in Fukien were none too bright, Tupan Chow Yin-jin steadily losing out to the minor forces of Canton. The civil governor of Chekiang then rose in a mutiny, and although quickly suppressed, nevertheless constituted a thorn at Marshal Sun's side, hinting that his domain was beginning to disintegrate. Chiang Kai-Shek, who was rumored to be seriously injured or killed, proved to be merely mustering his resources, and at this opportune moment retaliated with a furious onslaught on Nanchang. His casualties were four or five thousand. But Nanchang was taken for the second time, and Marshal Sun was forced to clear out of Kiangsi and retreat to Nanking.

From Nanking Marshall Sun hurriedly proceeded to Tientsin where he personally attended the Conference of the Northern generals, headed by Chang Tso-lin. The main line of action decided by that Conference, as far as the Yangtse is concerned, seems to be that the Shantung and Fengtien troops will proceed to Kiangsu and Hupeh respectively by the Tsing-pu and Kin-han lines, to be aided by Marshals Sun and Wu. Marshall Sun's short tenure of the lower Yangtse speaks for him not unfavorably, and we find the people of Kiangsu vigorously opposed to the presence of any Shantung troops in their province. At the same time Marshall Wu is in a precarious position with his generals, and is more likely to cause impediment than assistance in Fengtien's Campaign against the South. Thus the situation takes a temporary rest before the next stage of the war opens up.

Shanghai Dec. 9, 1926.

International Bank and National City to Merge and Expand

According to information received in Shanghai on Dec. 10 the Directors of the National City Bank of New York voted on December 9 to recommend to stockholders at the annual meeting, which will be held on January 11, 1927, to increase the capital of the Bank by a sale of G.$25,000,000, par value new stock at $200 per share, making capital $75,000,000 and surplus $50,000,000. Undivided profits will be in excess of $15,000,000 and the National City Company capital and surplus will be increased from $25,000,000 to $50,000,000.

Mr. C. E. Mitchell, President of the National City Bank and Chairman of the Board of the International Banking Corporation, also announced that many of the various branches of the International Banking Corporation would at an early date be transferred to and operated as direct branches of the National City Bank of New York. He also added that it was planned to make this transfer of the branches of the International Banking Corporation in Japan, China, India, Strait Settlements and Java on January 1.

Mr. Mitchell stated that the National City Bank of New York would automatically assume all liabilities of branches transferred, and the change of name would otherwise involve no change in the personnel or staff or in the operating or conduct of the business.

The National City Bank of New York will become the largest banking institution in the world as the result of the directors' decision to recommend an increase of the bank's capital by $25,000,000,000. The Midland Bank in England comes next with a capital of $130,000,000.

Japanese To Begin 'Cultural Work' at Shanghai

The Sino-Japanese Far Eastern Cultural Society, an organization formed some time ago and composed of eleven Chinese and ten Japanese for the purpose of administering the expenditure of the balance of the Japanese share of the China Boxer Indemnity, has decided to begin shortly the construction of a $2,000,000 group of buildings in Shanghai which will house the Sino-Japanese Cultural Institute.

According to the report of a meeting of the organization held in Shanghai last week, the property known as "Fairyland" located in the French Concession, has been purchased as a site for the new Institute. Among the well-known Chinese forming the group are Dr. Wu Lien-teh, the authority on epidemic diseases in China, Dr. Yen Chi-chung, head of the Infectious Diseases Hospital in Peking, Dr. F. Yu and Dr. Y. J. Cieh, local practitioners. Among the Japanese are Mr. Kishinoni, natural history expert, Mr. Kataijami, an authority on chemistry Mr. Hayashi, pharmacologist, Mr. Yamasaki, an authority on geography, Mr. Keimabsu, an authority on chemistry, Mr. Sheniyo on astronomy, Mr. Ouchi, a former Japanese M. P. and Mr. S. Yada, Japanese Consul-General in Shanghai.

The organization which will have charge of the expenditure of the funds, has decided to appropriate Yen 5,000,000 toward the research institute here and toward the construction of a library in Peking. Prior to the completion of the buildings here Chinese scientists will be selected for the purpose of making investigations abroad, the appropriation for each being $6,000, annually.

Vast Economic Penetration Follows "Friendship" Policy

BY B. Y. LEE

THE Japanese, have apparently learned that the day has gone for settling quarrels in China with gunboats and armed expeditions. The Japanese committed a great blunder in her diplomatic relations with China by the presentation of the Twenty-One Demands in 1915, for the result was an enormous loss due to the boycott of Japanese goods and anti-Japanese demonstrations all over the country. In 1918 Japan tried to take over the ex-German concession at Tsingtao, the result of which action was also a serious loss due to boycotts and anti-Japanese agitations. Since then Japan has repented her previous actions and has actually given up her policy of imperialistic exploitation of China, at least on the surface. Since 1924 Japan has been devoting her energy to the economic exploitation of China by peacefully establishing many cotton and silk mills and many other modern industrial enterprises, and granting more loans to the Han Yeh Ping Iron Works, at Hankow and other factories., the result of which may lead eventually to the absolute control and management of these enterprises. The question naturally arises as to what methods the Japanese have employed to pacify and appease the public opinion against her "peaceful penetration" into China's economic life.

Due to past blunders, the Japanese seemingly have learned a lesson so that now while the major incentive may be the same, the methods are quite different. The results obviously must be more satisfactory for China now seems to be well pleased with Japan's behavior.

During the labor strikes in the Japanese owned cotton mills in Shanghai last year a Chinese coolie was killed and a Japanese manager who was thrown into a creek by a gang of workmen. This event led to the May 30th incident of 1925. Instead of using the old iron-hand policy, the Japanese paid $10,000 as indemnity to the coolie's family, which was the most generous compensation ever received from the hands of foreigners by a member of the Chinese working class. From that time on the Japanese owned cotton mills as well as other Japanese owned industrial enterprises seldom have had much difficulty with Chinese workmen., who gradually have shifted their antagonistic feeling toward British owned enterprises. This has proved that it pays to use the hand of velvet instead of the hand of iron.

Japan's Great Advantage

Geographically and economically speaking, Japan has many distinct advantages over other nations in extending her economic influence in China. China has an abundance of raw material and natural resources and besides plenty of cheap labor available, while wages in Japan are much higher than that in China, and her workmen are not so easily controlled as are the Chinese. The natural resources in Japan, particularly that of iron and raw cotton, are poor. Japan is now almost entirely depending upon China for her supply of iron ore. When the Japanese come in China today, they are willing to observe the customs and habits of the people, to study Chinese language, art, and manners as well as to try to get along with the Chinese old type business men. This has been a great asset and has enabled them to expand and form more new Sino-Chinese commercial and industrial enterprises. Furthermore the Japanese Government constantly does its best to encourage and render every possible help to her nationals resident on Chinese soil.

Japanese economic influences in China are divided into two great classes, namely, commercial and industrial.

Japanese Banks in China

Japanese banking institutions in China are the foundation of all Japanese commercial and industrial activities. every large industrial enterprise is directly or indirectly under the control of one of these banks. The Han-Yeh-Ping Iron Works, Yu Dah Cotton Mill in Tientsin, Paosen and Wha Fong Cotton Mills in Shanghai, are under the absolute control of the Japanese banks as their long term trustees. Japanese banks, ten in number, have branches in all the principal cities in China. Their total initial capital not including reserves, amounts to around 350,000,000 Yen. The most important banks are:

The Yokohama Specie Bank,	Capital and Reserve Fund	100,000,000 Yen 83,000,000
The Bank of Taiwan,	Capital	45,000,000
The Sumitomo Bank,	Capital and Reserve Fund	70,000,000 24,000,000
Mitsubishi Bank,	Capital	50,000,000
The Bank of Chosen,	Capital	80,000,000
The Exchange Bank of China	Capital	10,000,000

The shipping business of China is almost entirely under the control of the British and Japanese, the latter having made great strides since the May 30 Affairs of 1925. The Japanese have steamships running to and fro in every coastal and river city of China. At present at least five railroads are under Japanese control, directly or indirectly, the most important being the South Manchuria Railway. Japanese influence along this line is almost entirely confined to the North. Recently there have been rumors that they are trying to grant loans to construct a line in Shangtung Province apparently an enterprise connected with the Shantung agreement. There is only one telegraph line under Japanese control. From the standpoint of wireless stations, the Japanese are in control of fourteen. The control of these fourteen stations naturally gives Japan a strong position in Chinese affairs owing to the facilities for distributing news and commercial information.

Having no large iron mines at home, the Japanese are naturally looking toward China to supply the ore for their daily needs for constructiing battle ships, modern machinery, war weapons, etc. At least ten iron and coal mines are either directly or indirectly under Japanese control, while some are incorporated as Sino-Japanese companies employing Japanese experts. The most important of all is the Han Yeh-ping Iron and Coal Mine, which is located in Hupeh Province and has been under the trustee of Japanese capitalists since 1911.

The company was organized by Chinese officials in 1890 with an initial capital of Tls. 10,000,000. Six years later it was incorporated with merchant stockholders making the total capital of Tls. 20,000 000. Its average production of iron ore has reached 100,000 tons although it has gone as high as 120,000 tons. In 1911 on account of the civil war and business depression, it was mortgaged to Japanese capitalists for 12,000,000 Yen with a contract to supply the ore to Japan for 40 years at a fixed rate—a very low price, that is, below the current local price. Again in 1924 another loan of 8,500,000 Yen was contracted. The corporation is as a result nominally under Japanese control and management and could be taken over at any time they wished. In order not to arouse the public protest and suspicion, they have actually appointed only two experts, one being financial and another, who, on the contrary to their usual practise, do not stay on the job all the time. The internal management is still in the hands of Chinese.

Recently it was reported that the Japanese are planning to absorb the whole company which is suffering serious losses due to civil wars in recent years. The company has therefore appealed to the Japanese banks for a relief loan of 20,000,000 Yen for meeting the emergency otherwise it will soon be forced to cease business. The company has sent its manager to Japan for this purpose and he has spent more than four months conducting negotiations in Tokyo. It is stated that for the sake of saving the company from bankruptcy the Japanese government has sanctioned the relief loan and the company's agents are now negotiating with the Yokohama Specie Bank at Hankow for terms. It is almost certain that the company will ultimately be absorbed by Japanese interests, who are its largest creditors on account of repeated loans and advances. The Han Yeh-ping Corporation was mentioned in Japan's Twenty One Demands of 1915.

Japanese Cotton Mills

The cotton mill industry, one of the largest and most important industries in China is now practically under Japanese control. They are operating 32 large mills in Shanghai and 13 in Hankow, Tsingtao, and in Manchuria, besides many Chinese-owned mills are under Japanese trusteeship. In the comparatively short period of 18 years the Japanese have obtained control of about 40% of the output of yarn and 50% of cloth in China. The following table shows the total amount of yarn production, cloth production, number of employees together with total amount of capital invested:

Mills	45
No. of spindles	1,537,624
No. of looms	8,300
No. of employees	about 100,000
Amount of raw cotton used annually	about 2 800,000 piculs
Amount of yarn production annually	220,000 bales
Amount of cloth produced annually	10 000,000 yards

Reasons for Japanese Success

The factors contributing to make them successful dictators in this industry provide food for thought. Unlike the Chinese the Japanese mills established in China are backed up by financiers and powerful bankers in China as well as in Japan. They organised companies, with large initial capital and their methods of management are similar to those in America and European countries. Most of their organizers know the Chinese market and political conditions of the country well and in many cases the native language too. They have a sufficient running capital and keep sufficient liquid funds available for emergencies and periods of business depression. This is a very important factor contributing to their success as the political condition of China has been very changeable in recent years. In good years when a large profit is made, they do not as a rule, give up all to the shareholders as dividends like most Chinese mills do.

Is Silk to Be Next?

Since the Japanese are already in control of two of the most important industries, namely, cotton and iron, it is not surprising to hear that they are trying to expand their influence in the silk filature industry. This is a late item in their programme of industrial expansion in China. As the silk industry is one of the most ancient and largest in the country, it is still carried on in most parts in very primitive methods where scientific methods are not yet put in practice. Since last year a silk corporation in Japan has established a very large silk filature of 500 basins in Tsingtao. The same corporation is also putting up another one of similar size in Soochow and has planned to erect a third one in Shanghai in the near future. It seems to be a very natural step for the Japanese to extend their influence along this industry as they are already in control of cotton and iron. Most Chinese owned silk filatures are small in size with small capital and are scattered all over the country. Certainly they can not compete with their neighbors who have more and better experience along this line besides ample available capital.

Other Japanese Industries

Japanese activities are not confined in these three mentioned industries. They are also operating many other kinds of factories, such as oil, flour, glass, soap, cigarette, paper, match factories and brick works, etc. the percentage of their control of the various lines running from 10 to 25 percent. Since they have gained a foothold in so many industries, they are naturally in an advantageous position to increase their holdings. It is almost impossible to enumerate all the Japanese owned industrial enterprises in China, particularly the smaller ones, which may be Sino—Japanese companies, or may have contracted Japanese loans. Many employ both Japanese capital and experts, but are registered as Chinese enterprises.

Conservatively speaking the Japanese investment in China is roughtly estimated to be around one billion dollars including about $350,000,000 invested in Manchuria. Japanese investments in China must now be practically equal to the British investments. In order to protect their existing investment and to develop their future commercial and industrial expansion in China, they have put in practice the principles of modern salemanship. To dominate China with the gunboat is a matter of past history; to dominate China by means of economic methods in the long run will be a most effective weapon. While the European Powers are still treating China in methods of pre-Boxer days Japan alone has seen the new change in China and has quickly grasped the new opportunity, which perhaps means the future industrial prosperity of both the countries concerned. The Japanese predomination of many important industries, at least temporarily, has taught the Chinese a great lesson as to the importance of the commercial and industrial development as a means of future salvation of the country. We Chinese should not discredit nor criticize their ambition and their superior knowledge of both commerce and industry, but rather we should admire and respect them as to what and how they have helped China to develop new industries.

Shanghai, December 9, 1926.

Christmas Advertising Indicates Continued Prosperity

The Shanghai newspapers issued their Christmas numbers last Sunday, December 12, the magnitude of advertising in most cases being entirely out of proportion to current pessimistic talk about bad business conditions. The *Shanghai Sunday Times* contained a total of 116 pages, a printing accomplishment of no mean proportions in this part of the world for an English-language publication. The number was exceptional in that it contained in addition to the usual Christmas features, a special industrial supplement devoted to new construction scheduled for Shanghai in the coming year, a further indication that the city is not unduly excited regarding the future. There was also a motor section of some 24 pages giving an excellent insight into the development which is taking place in that industry here. Much of the editorial content of the issue consisted of feature articles contributed by writers in various parts of China.

The Christmas supplement of the *North China Daily News* which was issued on Monday, Dec. 13 in magazine form, contained the results of an essay and art competition previously announced and in addition a number of articles contributed by writers in China, among them being one by Geo. Kin Leung on the fan and umbrella industry in Hangchow, a Peking story by Wm. Lewisohn and an interesting article about Peking mule carts by H. B. Elliston.

The Christmas number of the *China Press* while containing considerable advertising was poor in literary content, most of the material being syndicated articles of little or no local interest.

Why American Trade in China Will Grow

BY GEO. W. MISSEMER

THE present is a good time for the importer, particularly the American importer, to survey the future. Behind every cloud there is a silver lining, and there are as many clouds on the horizon at present as there ever have been in the history of China trade. Denied the privilege, whatever the reason, of securing either an increase in the rates of customs duties or of tariff autonomy, the Chinese have adopted various expedients of internal taxation of the dealers, and these are proving a greater burden by far on foreign imports than the increased duties would have been. Silver fluctuations during the past few months have been of an exasperatingly radical character and on the whole detrimental to the import trade. And behind all other minor difficulties looms the ominous cloud of a still more untoward political situation.

However there are various tendencies and facts which assure that, even under adverse conditions, there will be an assured field for increasing American business in this country. In past years business in China had been conducted, not on a quality basis, but with the idea that China was one of the best markets for articles which were out-of-date elsewhere, or which were of the cheapest quality. Indeed, foreign policy in China was generally based on the idea that the Chinese were probably doomed to be a stagnant and backward people, and would continue for many decades to be in the market mostly for the waste materials of the Western world, there being little hope of selling them anything of a better quality or of more up-to-date pattern.

Various leavening conditions have, however, changed this supposed status of the Chinese people. Young China has assimilated Western ideas and is making use of Western style articles in a steadily progressive ratio. The present is only a beginning. The standard of living has advanced considerably in recent years and a nation-wide determination has manifested itself to increase this standard as rapidly as possible. Naturally, the road is not only long, but difficult. Nevertheless even a slight increase in the standard of living among four hundred million people, offers a fertile field for the introduction of modern foodstuffs, improved household articles, and up-to-date machinery.

The advancing standard of living among the Chinese has persisted despite continual warfare, and amidst corruption of a colossal character. This corruption in administrative (or rather in the military circles that have usurped the administrative functions) surpasses in extent anything which people who have never been in China can conceive. However, just as the war in Europe a decade ago had to run its course so will the extended disorders in China eventually have to come to an end.

The assured progressive future of American trade in China is based on the following premises: First, a growing demand for the new and the elegant; second, American inventive genius has, and always will have, many new and practical appliances and devices with which to tempt the Chinese pocket book; third, quantity production places America on a competitive basis with Europe in the supply of standard articles, particularly those of the latest pattern.

Many people at present on the spot seem to feel that foreign trade in China is doomed in the near future. Their fear is based on the impending control of the Customs by the Chinese and the eventual loss of extraterritoriality. These people argue that the Chinese will impose such heavy duties on foreign articles that imports will dwindle. They further see the Chinese imitating and making on the spot these various articles that they formerly imported and thus freezing out the foreign article. Each country has, of course, the right to fix import duties as it likes, but there is a point beyond which the only people who are hurt are the people living in the country. It is to be presumed that China, coincident with the rights which she so ardently seeks, will afford some semblance of protection to foreign patents, but even though she didn't, American trade would come out on top at any rate, and for this reason: Granting to the Chinese the possession of wonderful qualities, they have so far not shown the least inventive genius. Until they become inventive they cannot keep American goods coming into this country to the tune of many millions, no matter how high the duties, or how much imitative manufacturing they engage in. The imitator can never run a race with the pioneer. The National Cash Register Co. has long since proved that. Even with expired patents competitors have been unable to make any headway simply because the research department was always making improvements and the sales force kept distributing the later models. American business in relation to China stands on a similar footing.

When business conditions change there is no use of the business man bewailing his fate. The wise trade merely changes and adapts his methods of doing business to meet the condition. It would be the height of foolishness for American manufacturers to bend to every little prejudice of the Chinese or any other people in the effort to supply them with an article, for which in most cases there would only be a limited demand at any rate. It wouldn't pay. But the successful firms in China at present are, and in the future will be, those who, while adhering to American standards generally, will deviate in minor matters to meet whims and tastes of the people who live on the west shore of the Pacific. Thus we find a large American manufacturer of agricultural plows supplying the standard plow, except that there is only one handle instead of two. A large supplier of roofing iron is putting on the market "tiles" of Chinese pattern, manufactured from iron. These "tiles" give the house the same general appearance as the Chinese tiles do, cost much less, will wear almost as long, and much lighter. These are but several instances of how American ingenuity is constantly building up trade in new lines. It is in the new lines that America will always find its best field. As soon as an old line becomes played out there will be two new ones at hand to take its place.

Mineral Resources of the Far East

BY C. K. LEITH,

in Foreign Affairs, N. Y.

THE common use of phrases like "the yellow peril," "the awakening of the Far East," "the challenge of Asia," imply a widespread belief in the capacity of the Far East[1] to advance in culture and industry, as well as in political and military power, to a position more or less comparable to that of Western Europe and the United States. It is apparent from the nature of the discussions that this belief is based principally on a consideration of the human factors involved in education, in the growth of population, and in political development. One looks in vain for correspondingly adequate consideration of the physical environment, to see how far it will permit of the expected advances. It seems to be assumed that the necessary physical resources will be found when the eastern people come to a point where they can use them. The Far East of the future is pictured with the familiar lineaments of highly industrialized western countries, where the "industrial revolution" has been based to a large degree on the extensive use of coal, iron, and other mineral products. It is pertinent, therefore, to appraise the mineral potentialities in the Far East, in order to see how far they justify the assumption that changes will take place there of the kind we ordinarily associate with modern industrial progress.

At the present time the countries of the Far East yield only an insignificant proportion of the world's total of the essential commercial minerals,—for example, about five percent of the copper, one percent of the iron ore, five percent of the coal, and three percent of the oil. Only in a few of the less essential mineral commodities are the proportions larger. In contrast, the countries bordering or tributary to the North Atlantic now furnish the vastly larger part of the world's requirements in essential minerals,—90 percent of the coal, 98 percent of the iron ore, 65 percent of the copper, and 90 percent of the oil.

There is a tendency to attribute this situation to the mere lack of exploration in the Far East, and to assume that when this has reached a stage comparable to that of the North Atlantic countries the production of essential minerals will be more or less equalized. But a survey of the facts proves this assumption to have but a slender basis. In fact, the conclusion seems inevitable that (with certain exceptions to be noted) the present small scale of mineral production in the Far East is not a temporary but a permanent condition, being due to the absence of mineral resources in quantity or grade or distribution suitable for effective use. This conclusion has been repeatedly reached

[1]The "Far East" is here used to include India, Eastern Asia, and the adjacent islands of Japan, the East Indies, and the Philippines. It is subdivided broadly into the Pacific region and India.

(*Continued on page 63*)

by competent investigators.[2] Nevertheless, due principally to travelers' tales, the prevailing popular notion is that the countries of the Far East, especially China, contain fabulously rich mineral wealth.

In the discussion of this problem confusion may arise unless a scale of comparison is indicated. There are in the Far East many units of mineral resources which seem large in an absolute sense, but which on a world scale must be assigned to a subordinate position. Also, the world scale used for comparison should be that of recent years, for the reason that the demand for mineral resources has so multiplied during the last quarter of a century that it can now be satisfied only by a relatively small number of mineral districts of exceptional size. The result is a marked concentration of the mineral industry in a few places. While in the aggregate other districts may contain vast quantities of minerals, they are so small individually, or so scattered, or are of such a low grade, or involve such high mining costs, that they play only a subordinate part in the satisfaction of present world demands. Much remains to be learned about the world's ultimate resources, but exploration has gone far enough to disclose many salient features of the mineral geography of the future, from which can be gleaned some of the essential facts of the mineral resource situation of the Far East.

Iron and Coal Resources. In the Pacific region of the Far East the most talked of and significant of the resources to be considered are the coal and iron ore of China. The coal resources, though but slightly developed, are very large, some estimates indicating that they form nearly a quarter of the world's supply. Some of the largest reserves, however, are in remote regions which will be inaccessible for commercial development for a long time to come. The only coking coal available in large quantities for metallurgical purposes is in Chihli, Fengtien, and Shansi in the north, and Kiangsi in the south.

The iron ore reserves of China, according to latest estimates, aggregate 950,000,000 tons, a figure which represents about one-fifth of the reserves of iron of present commercial grade in the United States. An analysis of the estimates, however, shows that much of this tonnage may not be considered workable under present conditions, due to inferior grade or remoteness from existing lines of communication, and should not be included in any comparison that is made with reserves of commercial grade existing elsewhere. For example, it includes low grade, banded hematites and magnetites in Manchuria and north-eastern Chihli, running 30 to 36 percent in iron, which must be concentrated before smelting. The feasibility of effecting sufficiently cheap concentration is still to be proved. In the United States and other parts of the world there are large quantities of ores of this class which have not yet been able to compete with the ores concentrated by nature, and which are not included in estimates of commercial reserves. The inclusion of these low grade ores in the commonly quoted figures of China's iron ore resources but emphasizes the real poverty of China in ores of present commercial grade.

The immediately available Chinese ores of commercial grade, not requiring concentration, and not handicapped by remoteness from transportation, are estimated at about 100,000,000 tons, about three-fourths of which are along the Yangtze river, and one-fourth in the Hsuan-Lung region north-west of Peking. The first named group, which is well known, has been mined on a modern scale. It would supply the iron and steel plants of the United States for less than two years. The remaining reserves will not be able to compete commercially in the world's iron and steel business for a very long time. The present rate of Chinese iron ore production is a million tons or less a year,—less than two percent of that of the United States. Japan now controls commercially about 90 percent of the available reserves.

Obviously, then, the reserves of iron ore now known to exist in China do not warrant the huge capital investment necessary to the building of a great iron and steel industry.

Much has been said about the probability of the existence of great undiscovered reserves of iron ore in China. The best Chinese iron ores are of a type which is hard and resistant to erosion, and therefore outcrop freely. It is true that native methods of smelting favored the use of softer ores, and that the value of the harder ores was not recognized by the Chinese. Nevertheless, there are few records of actual "discovery," in the geographic sense, since China has been penetrated by foreigners. The chances, therefore, of adding to China's iron resources by further exploration are not promising.

Japan is the chief consumer of iron and steel products in the Far East, but its known resources of iron ore are largely confined to one deposit, the Kamaishi Mine, in Riquchu province, with an estimated reserve of 35,000,000 tons. In various additional sources some of the Japanese estimates indicate the existence of 45,000,000 tons more, but this ore is widely scattered and much of it is of low grade. Domestic production has averaged 209,000 tons yearly for the last ten years, or less than half of one percent of that of the United States. Japan also has reserves in Korea, estimated at 4,000,000 tons, and from this source has imported slightly more than the domestic production. Japan's paucity of iron ore explains its activity in acquiring and developing the Yangtze deposits of China and its present attempts to concentrate the low grade ores of Manchuria.

Japan is better supplied with coal than with iron ore, but compared with the other principal industrial nations of the world, it is very poorly off. It has exhausted a much larger proportion of its reserves than any other country, and its industrial future is correspondingly limited. For some years the Imperial Steel works have been supplied by mixing Japanese coal with Chinese coal. Much of the coke from Japanese coal is weak and porous. The reserve of coking coal is so small that there has been much discussion of a government plan to electrify the iron works, in order to postpone its exhaustion.

The iron ore deposits of the Russian Far East aggregate hardly more than 5,000,000 tons, in scattered deposits. The only coal proved to be of good coking quality is in Sakhalin Island, where the fields are but little developed and good ports are scarce and ice-bound for several months of the year. Both iron ore and bituminous coal fields are insignificant in Indo-China. Siam has a few scattered undeveloped iron ore deposits, but the known coal is mostly lignite. The Malay Peninsula and British Borneo contain some iron ore deposits, but they are only of local importance, the aggregate being not more than 25,000,000 tons.

The situation seems more promising, at first glance, in the Netherlands East Indies, particularly in the south-eastern part of Borneo and in the central part of Celebes. The iron ore in these regions constitutes one of the largest reserves yet known in the Far East; it is estimated at 800,000,000 tons, much of it within easy reach of the sea. But this ore is of the lateritic variety, like that of Cuba and of Surigao Province in the Philippines,—a variety which, because of its content of nickel, chrome, high alumina, and moisture, has thus far presented certain metallurgical difficulties which have prevented its extensive use even in favorable locations. A furnace is now being built by a Dutch syndicate, in cooperation with the Government of the Netherlands East Indies. While there is coking coal in this region, the amount is so limited and of such a low grade that a study is being made of the possibility of electric smelting, as well as smelting with oil residue. There is reason to believe, however, that neither of these methods can be developed much beyond the point of supplying small local needs.

The Philippines contain important deposits of lateritic iron ore, estimated at 430,000,000 tons or more, principally in Surigao, on northern Mindanao. Lignitic coal is abundant, and bituminous coal less so. Coking coal exists in very limited quantities, principally in southern Mindanao. Any iron ore industry which may develop is not likely to supply more than local demands.

It appears highly improbable, then, that an iron and steel industry on the scale of Western Europe or the United

[2] No attempt is made to treat the subject exhaustively in this article. Readers interested in following this subject further are referred to:

"The Iron Ores and Iron Industry of China." By F. R. Tegengren: Memoirs of the Geological Survey of China, Ser. A, No. 2, in 2 parts, with atlas, 1921-1924.

"General Statement on the Mining Industry of China." By V. K. Ting and W. H. Wong: Special report, Geol. Survey of China, No. 1, June, 1921.

Reports of the Imperial Mineral Resources Bureau, London.

"The Mineral Industry." Published annually by McGraw-Hill Book Co., New York.

"World Atlas of Commercial Geology." Part I, Distribution of Mineral Production: U. S. Geological Survey, 1921.

"The Iron Ore Resources of the World." XI International Geological Congress, Stockholm, 1910, 2 volumes, with atlas.

"The Coal Resources of the World." XII International Geological Congress, Toronto, 1913, 3 volumes, with atlas.

"Geology and Mineral Resources of the Philippine Islands." By Warren D. Smith: Pub. No. 19, Bureau of Science, Manila, 1924.

"Certain Iron-ore Resources of the World: China." By H. Foster Bain: Trans. Am. Inst. of Min. & Met. Engrs., vol. 61, 1919, pp. 132-135.

"Recent Development in the Iron and Steel Industry of India." By Charles Page Perin: Am. Iron and Steel Inst., 1920.

"The Mineral Resources of China." By C. Y. Wang: Tientsin Press, Ltd., 1921 or 1922.

States can develop in the Pacific region of the Far East. China, with the best supply of coking coal, does not have enough iron ore of present commercial grade, and the geographic separation of the best available coking coal and iron ore is a heavy handicap. Netherlands East Indies and the Philippines have large supplies of iron ore, but very limited supplies of coking coal. Neither the ore nor the coal is of the best grade. Japan, with the largest plant capacity, largest consumption, and the best organization, lacks both coal and iron in sufficient quantities. The scattered supplies of coal and iron in all the other countries of the Far East are insignificant in comparison with the ones named. If all the coal and iron resources of the Pacific region were to be pooled under one operation, the total supplies would be adequate for a large industry; but there would still be heavy commercial handicaps, due to the grade of the iron ore and to the wide geograhic separation of the best available grades of iron and coking coal, resulting probably in costs too high for successful competition with the other principal iron and steel producing nat ons of the world. Disregarding political boundaries, perhaps the best potential combination in the Pacific region would be between the iron ores of the Philippines and the Dutch East Indies on one hand, and the coking coal of the northeastern provinces of China on the other—the whole under the management of the Japanese.

There remains to consider the iron and coal resources of India. Here are large reserves of high grade iron ore, estimated at upwards of one and one-half billion tons. These ores, though considerably less in quantity than the ores of the United States and Western Europe, are far the largest and best of the iron ore reserves of the Far East. It is much less certain that there is an adequate supply of coke in India, notwithstanding large reserves of coal. A committee of the Indian Government, appointed in 1920, indicated the probable exhaustion of the coking coal within forty years, but more recent discoveries are said to have increased the known reserves. (Much of the coal is vitiated by high phosphorus and ash content.) Production of iron and steel is as yet on a small scale, but the capacity has increased faster than has local consumption, pointing to export to Western Europe as the natural outlet. In summary, it may be said that the supplies of raw materials in India are adequate for the growth of a large iron and steel industry. The limiting factors are the small capacity for local consumption and the distance from the principal foreign markets. In the immediate future the mining industry will depend for growth mainly upon exportation, which is another way of saying that it will be dependent upon western industrial centers.

It is sometimes argued that even if the quantity and quality of the resources in the Far East do not favor the development of an iron and steel industry on a profitable commercial basis, such a development might still be effected, at a cost, for political and military reasons. This argument fails to take into account the fact that such an industry involves huge capital outlays, for thousands of plants, not only those necessary for the primary conversion of the raw materials, but for the finishing and manufacturing necessary to put the iron and steel into the highly varied forms used by the ultimate consumer. The financial strain involved in going much beyond the output determined by normal commercial feasibility would test the resources of even the financially strongest countries of the world, and it is hardly to be expected that the financial resources of the Far Eastern countries will permit much building of this kind.

Oil Resources. The oil produced in the Dutch East Indies, India, British Borneo, and Japan aggregates about 3 percent of the world's production. Of this about half comes from the Dutch East Indies. There are large possibilities for further development, particularly in the Dutch East Indies, in New Guinea, in the Philippines, in China, and in Sakhalin Island. The last named locality, nominally Russian, but under Japanese commercial control, is regarded as particularly promising. But while larger production may be expected in the Far East, there is nothing in sight to indicate the it will ever be a dominant world source ranking with the United States and Mexico, or with south-eastern Europe and western Asia. Local needs will be supplied, and the rest of the oil will be exported to parts of the world where imdustry is already established. Much of the oil production of the Dutch East Indies has been simply tributary to European demands, and will doubtless remain so. Moreover, in the absence of a general industrial development based on adequate supplies of all the essential minerals, particularly iron and steel, oil development alone has nowhere brought about a high degree of industrialization.

Copper. Japan is the only large producer of copper in the East, yielding about five percent of the world's total in 1924. The size of the copper reserves of Japan promises the continuance of production on the present scale, but little more. Outside of Japan the production of copper in the Far East is negligible, nor is there anything highly promising in sight.

Lead and Zinc. The lead and zinc production of Asia is insignificant, the total production in recent years from all countries being four to five percent of the world's total of lead and less than two percent of zinc. The outstanding lead field is the newly-developing Bawdwin district of Burma. There are other undeveloped deposits in China, but there is little hope that any of these will prove to be large, and as yet nothing promises any considerable change in world proportions. If there are to be any important new deposits revealed, present high prices should soon bring them out.

Gold and Silver. Gold is scattered in small amounts through Japan, China, Korea, British India, and the Dutch and British East Indies, but the aggregate yield of them all was only seven percent of the world's total in 1924. Much the same may be said in regard to silver, the total of eastern Asia for 1924 being about four percent of the world's output. The most promising silver development is in the Bawdwin field of Burma, where silver occurs in the lead ore. Gold and silver have been objects of search in the Far East for centuries, with results so unsatisfactory that there are no great hopes for anything better in the future.

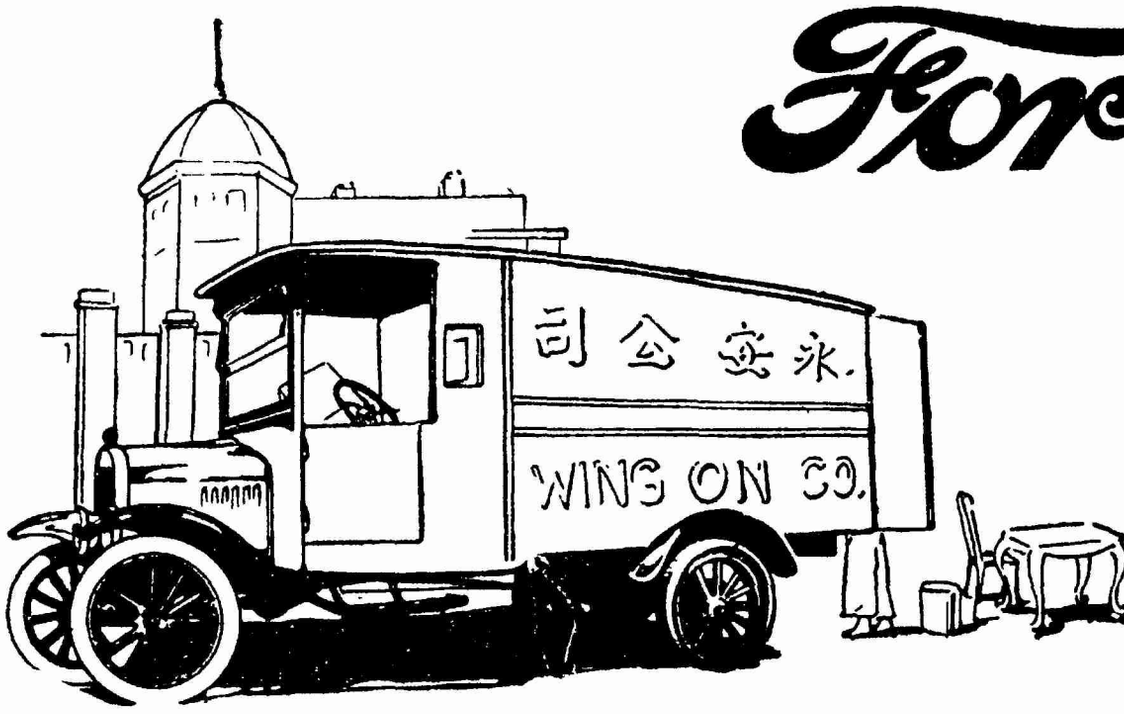
Minor Commercial Minerals. The Far Eastern countries produce considerable amounts of minor commercial minerals, though no one country has any strong combination of them. China is the main source of the *antimony* supply of the world supplying over 75 percent. Ceylon has long dominated the markets for flake *graphite* but is now overshadowed by Madagascar. Korea is an important producer of amorphous graphite. *Phosphates*, used as fertilizers, are being mined in increasing amounts from various Australasian islands, particularly from Ocean Island (English) of the Gilbert group, the Isle of Angaur (Japanese) of the Pellew group, Tahiti and Makatea (French) of the Society group, and the Isle of Nauru (English) of the Marshall group. The sum total, however, is less than ten percent of the world's production. India produces nearly a quarter of the world's *chrome* ore, being second only to southern Rhodesia. In recent years, also, India has produced between a third and a half of the world's *manganese* ore. The most important *tin* region of the world is in the Malay Peninsula and the adjacent islands of the Dutch East Indies. Siam and China produce minor amounts. These countries together produce about 65 per cent of the world's total. Over one-half of the world's production of *tungsten*, an important alloy in steel, comes from China, and about 15 percent from India. This is a comparatively recent war and post-war development.

Undiscovered Resources. But what about yet undiscovered resources in the Far East? There is a popular notion that it is largely an unexplored area. It may be pointed out that really large mineral deposits usually have some surface or geologic indications, which are likely to be known in densely populated regions characteristic of the Far East. Up to recent years certain minerals like tungsten, and zinc in the form of carbonate, were not recognized by the natives as valuable, suggesting that there are still possibilities for the discovery of ores not previously known as valuable. But as a matter of fact nearly every so-called discovery in recent years has been really a re-appraisal of a mineral occurrence already known. It has been comparatively easy for explorers to go directly to most of the known mineral indications, except in the far hinterland, and their activities for several decades have yielded results far less notable than those obtained by equivalent exploration in the great mineral-producing regions of the world. Liberal allowance is to be made for the fact that, on the whole, exploration in the Far East, particularly in the hinterland, has not yet been nearly as intensive as in western industrialized countries, and that much miscellaneous development of mineral resources is naturally to be expected. But the fact remains that the considerable mass of information already collected has a decidedly negative bearing.

Conclusion. The Pacific region of the Far East is deficient in essential minerals necessary for the development of a great industrial civilization, when considered in relation to their location, grade, and relative quantities. The more conspicuous deficiencies are in iron ore, coking coal, copper, lead and zinc. India alone has really adequate iron and coal deposits, but even here the supply of coking coal is apparently far less than in the industrial nations of the West. Many of the minerals which are produced in abundance, like tin, tungsten, antimony, graphite, manganese, and chromite, are largely exported to the Western world, for the reason that they are of use mainly in a highly industrialized society and are not in themselves a sufficient basis for industrial organization. Inertia of invested capital will in itself tend to keep the balance of mineral control in the West. If all of the Far Eastern resources could be combined, they would still be far inferior to those of Western Europe or the United States.

(*Continued on page 66*)

Ford



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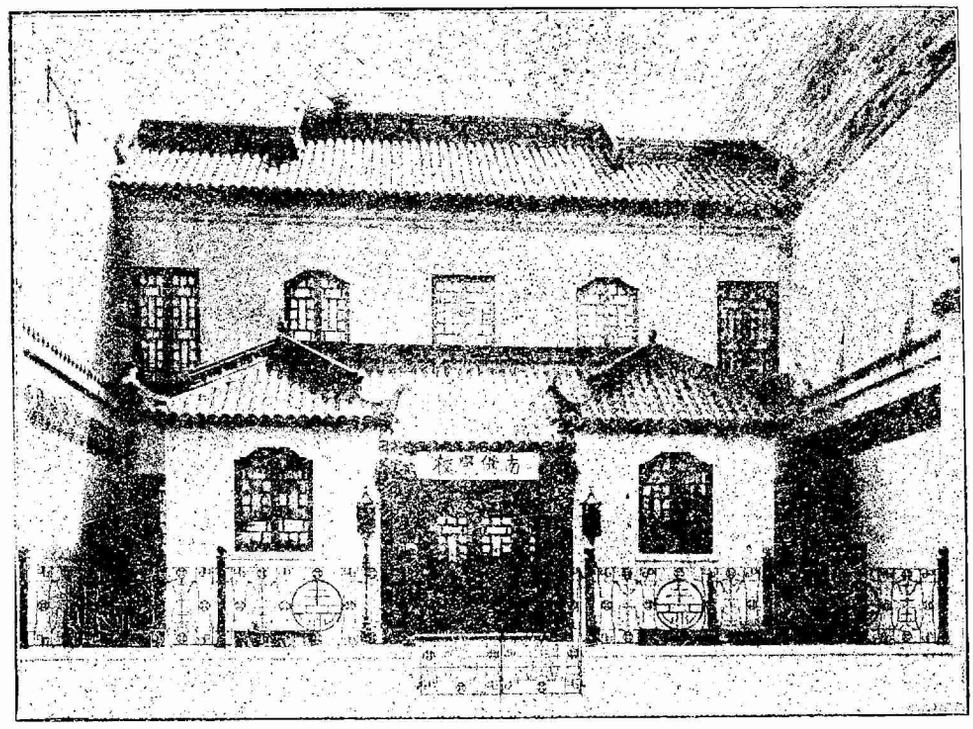
New School for Chinese in San Francisco



This Chinese pagoda roof reproduced in ARMCO Ingot Iron helps to make Chinese school children feel at home in San Francisco.

Reproducing Chinese Tiles in American Iron

THE problem of educating citizens of the Orient in America has been partly solved in San Francisco by the recent erection of a modern G. $100,000 school building primarily for Chinese Children. Four teachers, graduates of Peking University, are instructing 150 Chinese children from 7 to 18 years of age, in Chinese language, literature, and history after the hours of the public schools. These children, it is believed, will make contacts between China and America and will promote better relations. Some will go back to China as educators and leaders.

The San Francisco School for Chinese is like most American schools on the inside. It contains American equipment and the most modern. improvements. And it has comparatively large doors and windows. Yet it is bound to the Orient by quaint architectural touches and by the use of bright colors-reds, blues, greens, and yellows. The windows are of odd shape and are divided into small panels. Tall metal lamps stand beside the door. An unusual wrought iron fence with Chinese characters for "Good luck and long life" used as an ornament, fronts the building.

The Chinese pagoda roof and eaves, although made of American iron, add much to the exotic atmosphere. As the designs were very intricate, it was necessary to use a metal noted for its workability-pure iron. This material was also used because the salt atmosphere of San Francisco is very corrosive. Pure iron resists rust since it contains so few of the rust-promoting impurities. The metal tile used for the roof was also of pure iron.

Another reason for using sheet metal and metal tile was that its light weight permitted the desired effect without increasing the size of the walls of the structure as would have been necessary had clay tile been used.

The setting of the school building is also responsible for much of its beauty. It is set back from the street between two rather ugly brick buildings. But the walls of these buildings were painted a deep cream and ornamented to harmonize with the building proper. With the lawn in front, a greater depth appears than actually exists.

Credit for designing the school goes to Architect Charles E. J. Rogers. It was he who planned all the unique trimmings that make this such an artistic building.

Mr. Rogers' building is so charming that the Chinese school boys should, theoretically at least, wend their ways with more than the traditional speed. For if good appearance is a drawing card for a school, this particular building will probably be crowded.

With an adequate building, much more headway can be made in educating the little orientals. And with a building resembling those of their home land, they are made to feel more as though they belonged here.

Statistics show that the Chinese population of the United States has dwindled from 71,531 in 1910 to 61,639 in 1920. Many Chinese, being discontented in the United States, have returned to their homes, but now American communities have evidently decided to take better care of the Chinaman rather than let him go home with an adverse report. They have concluded that educational and missionary work, like charity, begins at home.

(*Continued from page 64*)

This situation cannot be attributed simply to lack of exploration. There has been exploration enough to disclose the probable main outlines of the future.

In so far as the possession of adequate mineral resources is a necessary basis for building future industrial, political, and military power, the countries of the Far East are proportionally handicapped,—the Pacific region more, India less. Whatever progress there may be must necessarily be of a kind produced by other factors. Supremacy resulting from the possession of mineral resources will remain centered about the North Atlantic. "The white man's burden" is partly one imposed by nature's distribution of raw materials.

It remains to consider the human elements in the problem. It appears, at least up to the present, that the kind of skill, organizing power, and initiative necessary for the effective use of mineral resources is found to a notable degree where the most adequate resources are found, namely in the countries bordering the North Atlantic. Conditions there have of course afforded the best opportunity for bringing out these qualities. Thence have radiated the influences which have initiated most of the mineral developments in other parts of the world. Whatever the latent capacity of the peoples of the Far East for undertaking mineral developments, the physical conditions do not promise opportunity for rapid progress in its expression. Even though the potential resources were equal, which they are not, it remains to be proven that the human qualities necessary for their use are likewise equal, notwithstanding such conspicuous exceptions as are exhibited in Japan or in the Indian steel industry.

From the standpoint of mineral resources, therefore, we may regard the Far Eastern countries, not as challenging western supremacy, but as calling for our sympathetic cooperation in their contest with unsatisfactory environmental conditions.

World demand will continue to force the development of such resources as exist in the Far East, and this will require that capital and skill be supplied from the world's industrial centers. Japan, in taking part in this movement, is merely doing what other industrial nations are doing the world over. Whatever we may think of the political desirability of this movement, it is a reality, based broadly on civilization's mounting demand for raw materials, and it probably cannot be stopped or even materially slowed up by any action of individuals or of governments.

39-164

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39-165

The New Yunnan Kopei Railway

BY E. P. WILLIAMS, JR.

(*Representative of Baldwin Locomotive Works*)

THE tin mines of Kokiu—situated in the southern central part of Yunnan, the southernmost province of China, and at an altitude of 5640 feet—have been in operation for many hundreds of years, and until comparatively recently the shareholders have been content to transport the tin on bullock carts and pack horses. However, when the plans for building the French Railway, Chemin de Fer la Compagnie du Yunnan, between Haiphong, Tonkin and Yunnanfu, were completed and construction had actually commenced, the idea of a light railway between Kokiu and Peichetchai, on the French Railway, was seriously considered.

A preliminary survey was made and estimates prepared, but it was not until 1915, when the price of tin started to rise to what was then unprecedented heights, that the construction was actually started under the leadership of Mr. Chen Ho Ting, the present President of the Railway. The first 7 miles between Peichetchai and Mengtse, one of the few treaty ports of Yunnan, were opened to traffic in 1917, and the line to Kokiu, a total length of 45 miles, was completed in 1921.

The construction and operation of the Railway, which is of 23⅝-inch gauge, laid with 33-pound rails, is exceedingly difficult due to the severe service conditions. These include 3 per cent grades, 230 feet reverse curves, and limits of height and width of 12 feet 11 inches and 8 feet 10 inches respectively.

From Peichetchai, which is about 4500 feet above sea level, the railway descends into the plain of Mengtse, over 3 miles of 2.5 per cent grade combined with 328 feet curves. It then runs over a right of way where there are numerous short grades of 2.2 per cent and 2 8 per cent until mile 20 is reached, where there are 3 miles of 3 per cent grade and 394 feet curves. From Kikay, the halfway point and where the new line to Lingan will branch off, the road starts to climb. Until mile 41 is reached there are hardly 164 feet of straight track and the grades are continuous, varying between 2 per cent and 3 per cent, with curves of 230 feet and 262 feet radius. In passing this section the road runs through 8 tunnels, the longest of which is just over 2296 feet. Five of these tunnels are located on reverse curves, and tunnel No. 8 makes a complete half circle around a 295 feet curve over a 2.5 per cent grade. After passing mile 41 the line descends to Kokiu, there being only one tunnel and no exceptional grades or curves on this part of the line.

In order to make an outlet for and open up a large agriculturally rich district, the Kopei Railway in 1921 began the construction of a line branching off at Kikay. This line will extend to Lingan, a large city on the old caravan road Yunnanfu, noted for its potteries, and 40 miles away. The building of this branch line is under the direction of Mr. K. C. Li, and, although the work is difficult and has been much delayed by bandits, it is expected that it will be opened for traffic next year.

The Kopei Railway, which is intimately connected with the Yunnan Tin Company whose smelter is at Kokiu, is entirely Chinese owned and at the present time has for its President Mr. Chen Ho Ting; Vice-President, Mr. Chao Pei Chai; Traffic Manager, Mr. Chu Yu An, with Mr. K. C. Li, a Chinese engineer and Cornell graduate, in charge of the Lingan branch.

When it was first decided to build the Railway, the money for its construction was obtained by contribution from the people who would expect to benefit thereby, the miners, fuel merchants, tin smelters and the buyers; but in 1917 it was found that there would not be sufficient funds to complete the Railway, the final cost of which was over $5,000,000.00 Yunnan, and a bank was established having the Railway as its assets. This institution, known as the Yunnan Kopei Railway Bank, with headquarters at Kokiu and branches at Yunnanfu and Mengtse, has on its directorate many of the gentlemen that are also on the board of the Railway and the Tin Company. Its purpose was primarily the issuing of paper money for the work on the Railway. Permission was obtained from the Tuchun of the Province, Gen. Tang Chi-yao, to issue $500,000.00 Yunnan in notes. The first issue was most interesting in the printing arrangement, since instead of the regular numerals in the corners

(*Continued on page 72*)

Top Left—When one of the new locomotives was tested it was necessary to send soldiers along to protect the crew against bandi
Bottom Left—This frontier appearing place Peichetchai where the new railway joins t French line in Yunnan. Above—Mr Che Ho-ting, president of the new Yunnan-Ko Railway in Yunnan province.

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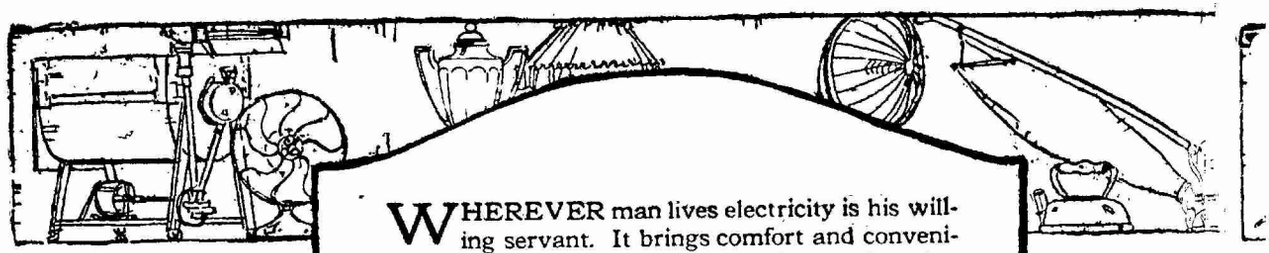

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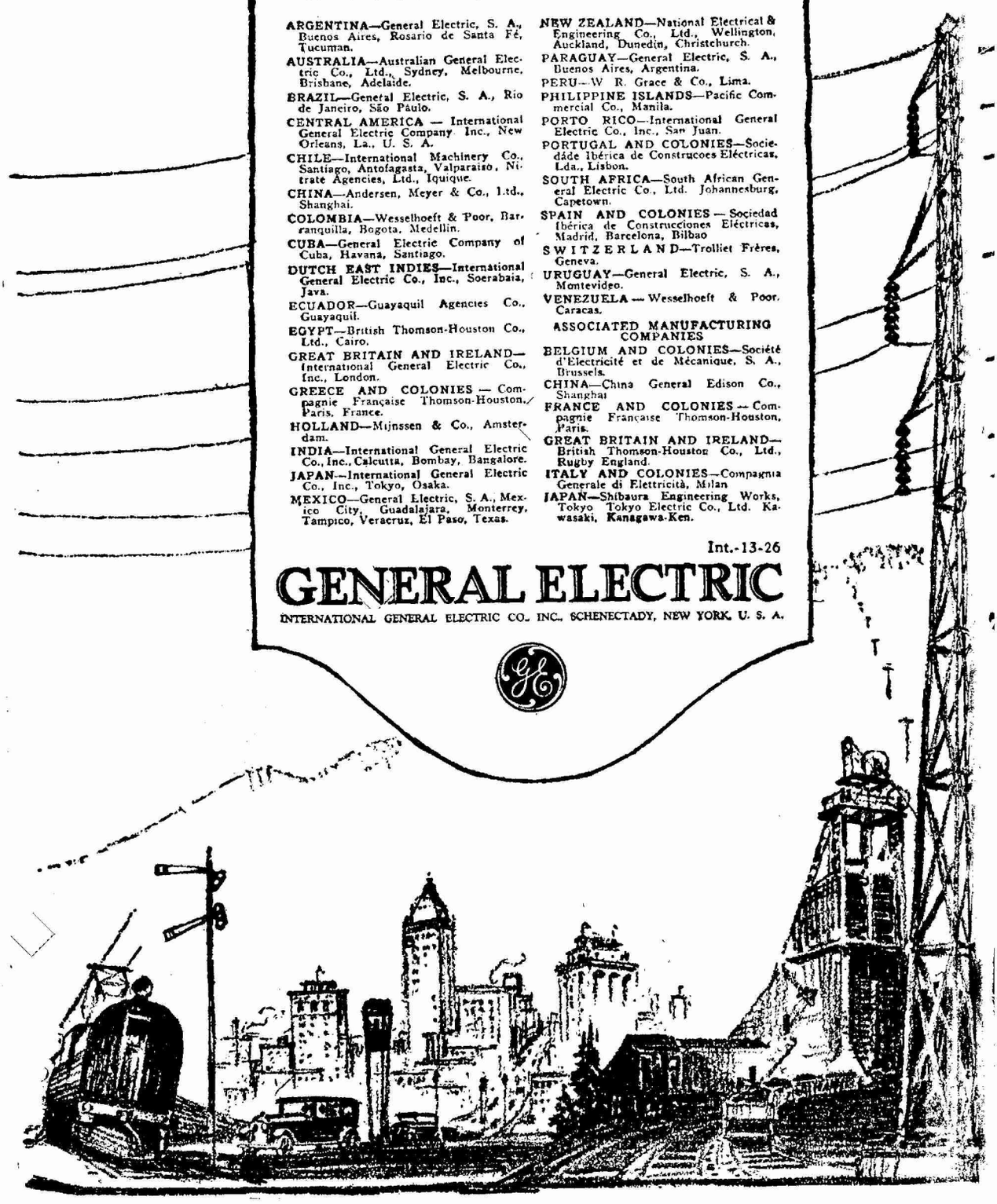

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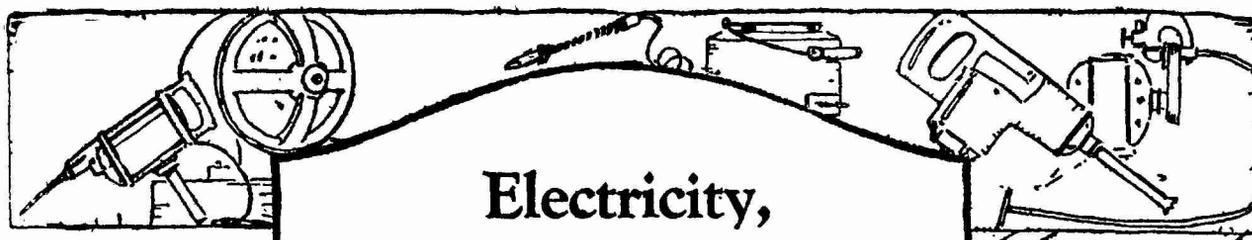

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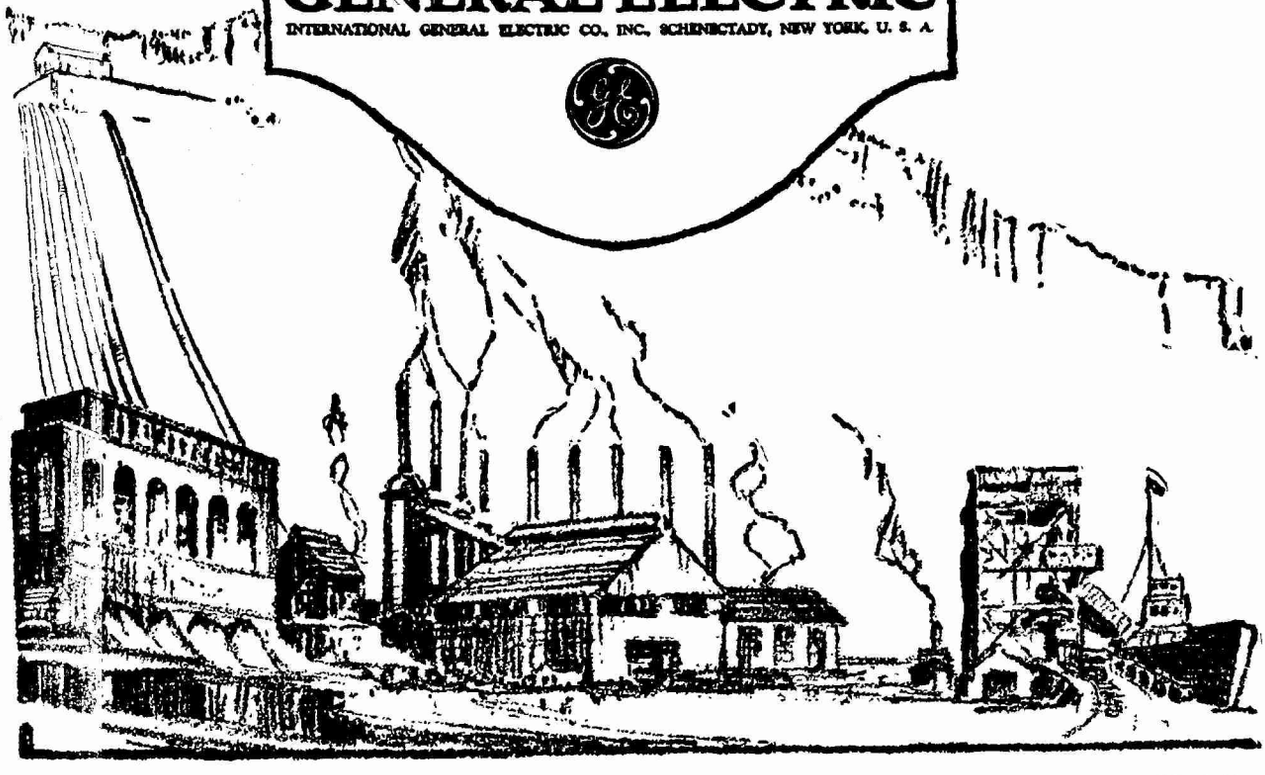

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39-170

The Future of the French Concession

BY GEO. W. MISSEMER

THE French Concession forms a very important part of Greater Shanghai and its future is being closely scanned by the French community in view of the foregone conclusion that China will take the same position regarding French extraterritoriality as it did with the Belgians. It is the general view among British and Americans that if the French lose their extraterritoriality they at the same time lose their Concession. Such, however, is not the case, in the view of prominent French legal authorities, who take the ground that The French Mixed Court, the question of extraterritoriality, and the status of the Concession, all stand on separate foundations, even though they are inter-related.

Incidentally it may be mentioned that although the French on the south side of the old Yangkingpang use the word "concession" in contrast to the word "settlement" used on the north side of that old waterway, the fact remains that owners of land in the French Concession pay the same negligible ground rent to the Chinese authorities as landowners in the International Settlement do, thus showing that sovereignty in the ground still remain with the Chinese.

Views of French Legal Authority

Paul Premet, a member of the local French Bar, in an interview, has given his view on the subject, which he states

(*Continued on page 74*)

(*Continued from page 68*)

The New Yunnan-Kopei Railway

these notes have "A" for five, "B" for ten and "C" for twenty, the one dollar notes being made by cutting the corners off of any of these notes. Later when more money was required, permission was obtained from the Tuchun for the issuance of another $500,000.00, and the notes were made by the American Bank Note Company. These notes are only negotiable along the Kopei Railway, where paper money is entirely in vogue, even to the ten and twenty cent pieces.

After the completion of the Railway and for the upkeep the Share Collecting Bureau was established at Kokiu, where all tin for export is taken for weighing and examination. For each Chan, about one ton and a quarter, the Railway collects about 100 Taels—25 Taels from the Smelters, 25 Taels from the Buyers, 9.5 Taels from the Charcoal Burners, and 42.5 Taels from the Tin Miners. This insures the Railway an annual income of from $350,000,000 to $600,000,000 Yunnan from this source alone, in addition to the receipts from Passengers and Miscellaneous Freight.

The Railway shops at present located at Mengtse are able to take care of general car and locomotive repairs, but it is proposed to move them to Kikay as soon as the Lingan line is opened to traffic, and at that time to fit the shops with an up-to-date machinery consistent with the repair work that they will be called upon to do.

The passenger carrying stock of the Railway consists of first and second class, third class, and fourth class cars built by the Yangtze Engineering Works, Hankow, China. Box cars and coal cars of 7.5 tons and 10 tons capacity are used. These cars have been supplied by American and French builders and the Yangtze Engineering Works of China. All cars are of the four wheeled-bogie type and are fitted with link and pin couplers.

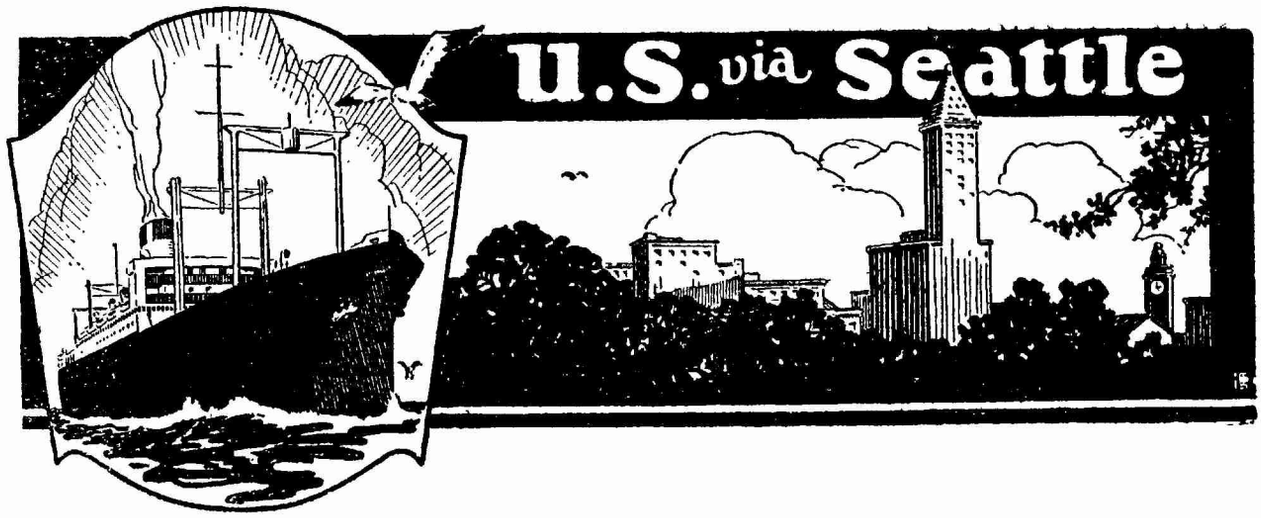
The motive power of the Railway until 1925 consisted of 16 locomotives, all of approximately 9000 pounds tractive force, and built by various makers as follows:

8 of the 0-6-0 Saddle Tank Type built by the Davenport Locomotive Works, U. S. A.

4 of the 2-6-0 Side Tank Type built by Batingnolles, France.

4 of the 0-8-0 Side Tank Type built by the Baldwin Locomotive Works, U. S. A.

As the locomotives in use did not have sufficient power to meet the growing needs of the Railway, Mr. Chen, the President, requested The Baldwin Locomotive Works to design a locomotive to meet the Railway's unusual service conditions. To meet the demand for increased hauling capacity combined with a restricted loading gauge, a ten-coupled design with separate tender was proposed. An order for six locomotives as illustrated on page 9 was placed. These locomotives have proved capable of hauling 75-80 metric tons of cars and lading over the grades and curves of the Railway, at the same time maintaining a minimum speed of 9 miles per hour. It is also interesting to note that while hauling almost double the load of the smaller engines, the 0-10-0 locomotives show a very appreciable saving in fuel and water. These locomotives have proven so successful that the Railway has recently purchased 6 duplicate locomotives.



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Status of the French Concession

(*Continued from page 72*)

is shared by many other members of the French legal profession. "No, the abolition of extraterritoriality or the cancellation of the treaties will not mean the disappearance of the Concessions. Nor does the report of the Extraterritoriality Commission indicated that the abolition of extraterritoriality is near. As a matter of fact in 1902 Britain and the United States were already considering the abolition of extraterritoriality. Extraterritoriality was formed long before the first treaty.

Even admitting that the Concessions are the result of the treaty—which they are not—the *legal* position of the Concession is not based on the treaty. The present situation of the Concessions has gone far beyond the powers granted by special agreement," said Mr. Premet. Mr. Premet is not responsible for the interpolation made here, namely that the French maintain a wireless station in contravention of Chinese regulations, but this would probably be an example of something that has gone beyond the "powers granted by special agreement."

Concessions are "Free Cities"

Reverting again to Mr. Premet's views, he says: "A situation of fact has been created which transforms the Concessions into varitable free cities under the protection of the Powers. Should the treaties be abolished there will yet remain the special agreements and the decisions taken and applied as the result of those agreements, between the municipalities and the consuls. There will remain the ownership of property and debentures. The obligations created by custom and the interests of the residents constitute a private company operating under the form of a municipality. If the question of the continuation of the Concession arises after the treaties have been abolished, the municipal Councils of Shanghai could secure all the necessary grounds for a case to be defended before an international law court."

Reviewing the history of the French Mixed Court, Mr. Premet gives details which seem to show that the Court, like Topsy, just growed. The present status of the French Mixed Court is similar to that of the International Mixed Court except that so far no steps have been taken by the Chinese to regain recovery of it as they have of the Mixed Court. In the French Mixed Court at the present time the power is in the hands of the French, the Chinese judge being paid and appointed, not by the Chinese authorities, but by the French Consul. This situation was brought about by the Revolution in 1911 when the Chinese judiciary fled.

To use the words of Mr. Premet, the French Mixed Court is based "on the tradition since 1853, on the treaty of 1858, art. 35, and on the treaty of 1886, art. 16." Mr. Premet, in his interview, outlined the origin of the International Settlement, already familiar to the readers of *The Review*, but in his view one must really look for the origin of the Concessions to the fact that the Chinese authorities fled before the Taipings, leaving the foreign authorities to administer affairs and protect the populace, Chinese included. In 1860 the Chinese authorities returned and sought the assistance of the French and other foreigners in driving away the Taipings. Chekiang was retaken from the Taipings with the assistance of the French, Admiral Protet being killed in action.

In the treaty between France and China there is the same provision as in the other treaties about Chinese and foreigners each being tried in courts of their own nationality.

After the Taiping trouble was ended, and beginning from 1865 the Taotai came to sit at the French Court in accordance with the treaty of 1858, art. 35, and on January 19, 1869, the French Consul General wrote to the French Minister at Peking as follows:

> In connection with Chinese cases concerning the French Concession I use a system of arbitration which I am trying to enlarge.
>
> In order to settle commercial cases between French and Chinese I call to the Consulate a delegate of the Taotai or the Taotai himself and the case is tried in accordance with Art. 35 of the treaty.
>
> For misdemeanors or other troubles between Chinese, the culprits or the concerned are either brought to the Consulate or come of their own free will. The cases are tried, and punishment is either inflicted or the matter is settled in a friendly manner.
>
> Regarding crimes committed by Chinese same are under the competence of the Chinese authorities.
>
> Finally when the mandarins want to make arrests in the Concession they always first must have their warrants visaed by the French Consulate.
>
> Thus was the French Mixed Court established.
>
> As mentioned previously the Chinese have so far made no demand for the restoration of the French Mixed Court as they have of the International Mixed Court.

Silk Filatures in Shanghai

(Continued from issues of Nov. 20 and 27 of the Review)

37. Pai Ssu No. 2

Address, 68 Hengfeng Road, Chapei, Shanghai Manager, Chu Chi-tong Trade marks, Gold Bear and Tien Zen Number of laborers, 450; Quantity of silk produced daily, 150 lbs.; Capital, Tls. 30,000; Work started, 1924.

38. Lien I

Address, 38 Hengfeng Road, Chapei, Shanghai Manager, Shia Chun-chiao Trade mark, Number of laborers, 460; Quantity of silk produced daily, 150 lbs.; Capital, Tls. 30,000; Work started, 1920.

39. Yia Feng

Address, 38 Hengfung Road, Chapei, Shanghai Manager, Lee Sheng-pai Trade mark (YFF); Number of laborers, 450; Quantity of silk produced daily, 160 lbs.; Capital, Tls. 30,000; Work started, 1923.

40. Wei Feng

Address, 9 Sinza Road, Shanghai Manager, Tsao Shao-chen Trade marks, Two Babies Three Babies Four Babies and Five Babies Number of laborers, 700; Quantity of silk produced daily, 230 lbs.; Capital, Tls. 50,000; Work started, 1922.

41. Shen Shing Ying Chi

Address, 15 Chengtu Road, Shanghai Manager, Pan Jui-fu Trade mark, SF; Number of laborers, 650; Quantity of silk produced daily, 190 lbs.; Capital, Tls. 20,000; Work started, 1921.

42. Feng Ta

Address, 9 Sinza Road, Shanghai Manager, Chen Ying-lun Trade mark, Eagle and Dragon Number of laborers, 500; Quantity of silk produced daily, 130 lbs.; Capital, Tls. 20,000; Work started, 1925.

43. Chiu I

Address, A9 Chengtu Road, Shanghai Manager, Chi Ching-I Trade mark, Chue Yih Chop Number of laborers 350; Quantity of silk produced daily, 100 lbs.; Capital, Tls. 10,000; Work started, 1925.

44. Lun Lun

Address, 32 Connaught Road, Shanghai Manager, Sun Chung-heng Trade marks, Dragon & Horse and Victory Number of laborers, 700; Quantity of silk produced daily, 150 lbs.; Work started, 1925.

45. Chiu Cheng

Address, Jih Hui Chiang, Shanghai Manager, Lee Sheng-fu Trade mark, Gold Pagoda Number of laborers, 1 200; Quantity of silk produced daily, 360 lbs.

46. Pao Tai

Address, Jih Hui Chiang, Shanghai Manager, Tong Ting-tsun Trade mark, Brass Statue Number of laborers, 700; Quantity of silk produced daily, 260 lbs.; Capital, Tls. 30,000; Work started, 1921.

47. Yu Feng

Address, 117 Ku Chia Wan Road, Tien Tung An, Shanghai Manager, Chiang Nien-hsuan Trade mark, Beauty Number of laborers, 550; Quantity of silk produced daily, 180 lbs.; Capital, Tls. 30,000; Work started, 1922.

48. Chiu Ching

Address, 612 Ku Chia Wan, Wang Peng Road, Chapei, Shanghai Manager, Yao Fu-ching Trade mark, Compass Number of laborers, 640; Quantity of silk produced daily, 200 lbs.; Capital, Tls. 50,000.

49. Heng Lung

Address, 612 Ku Chia Wan, Tien Tung An, Chapei, Shanghai Manager, Wang Yao-tsu Trade marks, Condor, Star and Peacock Number of laborers, 560; Quantity of silk produced daily, 180 lbs.; Capital, Tls. 40,000; Work started, 1923.

50. Chin Feng

Address, Shang Hsien Lee, Paoshan Road, Shanghai Manager, Chiang Chi-jun Trade marks, Dragon and Horse and Victory Number of laborers, 500; Quantity of silk produced daily, 200 lbs.; Capital, Tls. 50,000; Work started, 1925.

51. Teh Shung Ching

Address, 10 Tien Tung An Road, Shanghai Manager, Chiang Jun-ho Trade marks, Grain and Motor Boat Number of laborers, 600; Quantity of silk produced daily, 180 lbs.; Capital, Tls. 20,000; Work started, 1924.

52. Ying Yu

Address, 16 Tien An Tung Road, Shanghai Manager, Tso Y -lin Trade mark. Plum Flower Numbe- of laborers, 250;

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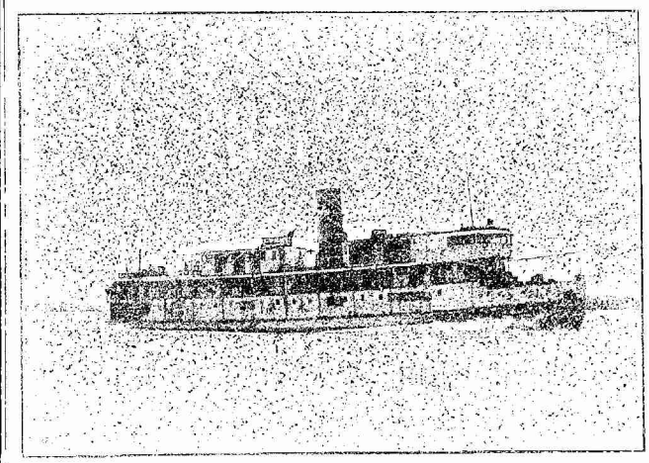

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Quantity of silk produced daily, 80 lbs.; Capital, Tls. 15,000; Work started, 1925.

53. Yun Yu No. 3

Address, 60 Paoshan Road, Shanghai Manager, Mo Mei-ching Trade marks, Pasturer and Mandarin Fish Number of laborers, 900; Quantity of silk produced daily, 400 lbs.; Capital, Tls. 30,000; Work started, 1921.

54. Tien Chang

Address, 921 Chang Chia Hsiang Road, Shanghai Manager, Chang Shao-ching Trade mark, Tien Chong Number of laborers, 700; Quantity of silk produced daily, 140 lbs.; Capital, Tls. 30,000; Work started, 1913.

55. Jun Tai

Address, 39 Shang Yen Chiao Road, Shanghai Manager, Shen Wen-lung Trade marks, KS, Lotus and Double Gold Rabbit Number of laborers, 600; Quantity of silk produced daily, 180 lbs.; Capital, Tls. 30,000; Work started, 1926.

56. Tung Yih

Address, Shang Yen Chiao Road, Shanghai Manager, I Ching-chang Trade marks, (MD) and (NCC); Number of laborers, 800; Quantity of silk produced daily, 300 lbs.; Capital, Tls. 100,000; Work started, 1920.

57. Chiu Lung

Address, 1916 Shang Yen Chiao Road, Shanghai Manager, Yao Ying-ko Number of laborers, 200; Quantity of silk produced daily, 50 lbs.; Capital, Tls. 7,000; Work started, 1925.

58. Yun Cheng Silk Filature

Address, 456 Tien Tung Road, Shanghai Manager, Shen Jung-tsun Trade marks, (WZ) and Jun Cheng Number of laborers, 500; Quantity of silk produced daily, 200 lbs.; Capital, Tls. 50,000 Work started, 1911.

59. Yun Cheng Silk Filature

Address, 83 Tien Tung Road, Shanghai Manager, Shen Jung-tsun Trade marks, (WZ) and Jun Cheng Number of laborers, 600; Quantity of silk produced daily, 250 lbs.; Capital, Tls. 50,000; Work started, 1917.

60. Tung Feng Yung

Address, Tien Tung Lee, Dixwell Road, Shanghai Manager, Chu Ching-an Trade marks, Sun Stork Peace and New World Number of laborers, 600; Quantity of silk produced daily, 180 lbs.; Capital, Tls. 60.000; Work started, 1922; Yearly volume of business, 450 piculs.

61. An Yu

Address, No. 2 Wuchow Road, Shanghai Manager, Wang Chi-tai Trade marks, Gold Rat Young Man and Football Number of laborers, 700; Quantity of silk produced daily, 220 lbs.; Capital, Tls. 24,000; Work started, 1925.

62. Yuan Feng

Address, 1 Tien Pao Road, Shanghai Manager, Chu Ching-an Trade marks, Sun and Stork Peace, and New World Number of laborers, 700; Quantity of silk produced daily, 220.; Capital, Tls. 50,000; Work started, 1916.

63. Tah Lun

Address, Wang Chia Chai, Chapei, Shanghai Trade mark, Sun Reindeer Number of laborers, 400; Quantity of silk produced daily, 130 lbs.; Work started, 1921.

64. Yin Feng

Address, Tan Chia Chiao, Chapei, Shanghai Manager, Yang Keng-pai Trade mark, YF Number of woman workers, 700; Quantity of silk produced daily, 200 lbs.; Capital, Tls, 40,000; Work started, 1925.

65. Chin Jen

Address, Tan Chia Chiao, Chapei, Shanghai Manager, Yao Chin-po Number of woman workers, 400; Quantity of silk produced daily, 112 lbs.; Capital, Tls. 20,000; Work started, 1926.

66. Jui Lun

Address, 25 Miller Road, Shanghai Manager, Wu Teng-yin Trade mark. Golden Anchor Number of laborers, 2,000; Quantity of silk produced daily, 750 lbs.; Work started, 1894.

67. Feng Tai Shun

Address, Tah Yang Chiao, Chapei, Shanghai Manager, Sun Yung-chang Number of laborers, 1,000; Quantity of silk produced daily, 240 lbs.; Capital, Tls. 60,000; Work started, 1926

68. Jui Shen

Address, Tan Chia Wan, Chapei, Shanghai Manager, Chien Siao-chin Trade mark: (TS) Number of woman workers, 400; Quantity of silk produced daily, 130 lbs.; Capital, Tls, 20,000; Work started, 1926.

(Continued next week)

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Men and Events

The Union Club of China will hold a Christmas entertainment on Dec. 22 for poor children.

Capt. G. H. Reed, for the past six years superintendent of police at Amoy, has been appointed deputy chief of the Shanghai Fire Department.

F. O. Finn, representative in Shanghai for the Chicago, Milwaukee and St. Paul Railway, is planning shortly to return to the United States.

Dr. Wu Lien-teh, chief of the Plague Prevention Service in Manchuria addressed the Shanghai Rotary Club on Thursday, Dec. 9 on the subject of plague prevention in China.

The play, "Dulcy" produced by the American Women's Club of Shanghai on Thursday, Friday and Saturday evenings of last week at the Lyceum Theater, was well attended.

Dr. Eric Von Salzmann, author and traveller, addressed the members of the German Club on Tuesday, Dec. 14, on the subject, "The Struggle for Freedom of the People of Asia."

Dr. Wagenseil, member of the faculty of Tung Chi University, Woosung, addressed the German Women's Club, Shanghai, on Monday Dec. 13 on the subject, "Laws of Inheritance."

According to a *Reuters* report from Hongkong, dated Dec. 9 the British Government had approached the Canton Government with a proposal for joint intervention to put an end to the pirate menace at Bias Bay.

Dr. Robert E. Speer, general secretary of the Presbyterian Mission Board, New York, who has been in China for some time investigating conditions, accompanied by Mrs. Speer, departed last week for America.

Community Church of Shanghai held its semi-annual meeting of the membership in the Church parlors on the evening of Wednesday, Dec. 15, the meeting being preceded by supper served by the Ladies Auxiliary.

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39-176

Quo Tai-chi, former secretary to Dr. Sun Yat-sen, has been appointed Commissioner of Foreign Affairs at Hankow, the appointment having been made by Gen. Chiang Kai-shek, commander of the Southern forces in control of Hankow.

Prof. George B. Roorbach of the foreign trade department of Harvard University, who is now visiting in Shanghai, addressed the Shanghai Rotary Club and American Chamber of Commerce last week on the subject of business conditions in the United States.

Sir Paul Chater of Hongkong, who died some time ago, left an estate of $5,000,000 in Hongkong and property in England valued at £136,000. Aside from personal bequests, he left $50,000 to the Hongkong Jockey Club, and a considerable sum to the Armenian Holy Church of Nazareth at Calcutta.

Mrs. F. Ayscough, well known writer on Chinese subjects, delivered a lecture on the subject, "Chinese Memorial Temples, before the members of the Royal Asiatic Society, Shanghai, on Thursday, Dec. 16, the lecture being illustrated with lantern slides painted by Miss Lucille Douglass.

The Chinese military authorities in control of the Shanghai district have purchased three armored cars and have organized an armored-car corps, for use in the defense of the Shanghai district. The highest military authority in the Shanghai district is now Gen. Lu Hsiang-ting, a subordinate of Marshal Sun Chuan-fang. Gen. Li Pao-tsang is commander of the Shanghai garrison.

Hsu Wei-tseng, director of the Bureau which is making preparations for the transfer of the International Mixed Court at Shanghai to the new Kiangsu Provisional Court, has arrived in Shanghai from Nanking for the purpose of making the transfer. Mr. Hsu is a native of Chekiang and was formerly chief judge of the High Court of Shansi. Mr. Hsu received his legal education in the United States.

The "Tse Kiang" a river steamer of the stern wheeler type, built for an American concern at Shanghai in 1899 by S. C. Farnham and Company, is now being offered for sale, the lowest limit to be considered being Tls. 5.000. The boat which was originally known as the "Mei Fung," was sold to the San Peh Steamship Company in 1922 and has been used in the Upper Yangtsze Service. Recently, while being overhauled here the vessel caught fire and was seriously damaged.

The Sino-Japanese Far Eastern Cultural Society, which met in Shanghai last week had considerable difficulty in reaching agreement on proposed plans for the expenditure of the balance of the Japanese portion of the Chinese Boxer Indemnity. The Japanese members of the Commission proposed the establishment in Shanghai of a Natural Science Research Institute, but the Chinese objected and urged that the money be used for sending Chinese students abroad to Japan, America and Europe for higher educations.

Unfortunately the name of David Au was omitted from the list of contributors of articles appearing in a special number of *The Review* on "Greater Shanghai" which was issued last week. Mr. Au's article dealt with the history of the founding of the modern department stores in Shanghai by Chinese interests. Mr. Au is a returned student from Great Britain and is a son of one of the founders of the Sincere Company. He is now sub-manager and general secretary of the Sincere Company.

The amount of opium smuggled into China has increased from 25 tons in 1923 to 30 tons in 1925 according to a statement made by Dr. Wu Lien-teh before the Conference on Narcotic Drugs held in the Missions Building, Shanghai, on Dec. 9. Dr. Wu, who is head of the Plague Prevention Service in Manchuria, declared that the recrudescence of the opium business in China was due to the fact that since the establishment of the Republic, "many persons of low ideals have achieved political and military power in China."

Judge John Barton Payne, chairman of the American Red Cross will be the guest of honor and deliver an address before the members of the American Chamber of Commerce of Shanghai at a tiffin to be held at the American Club on Friday, Dec. 17. Judge Payne came to the Far East several weeks ago to attend the conference of Oriental Red Cross Societies in Tokyo, Judge Payne is a law partner of Silas H. Strawn of Chicago who served as American delegate at the Chinese Tariff Conference and on the Commission on Extra-territoriality,

A number of prominent members of the American Red Cross and International Red Cross Societies now visiting in Shanghai on their way to Manila were entertained at dinner on Monday evening, Dec. 13 by Mr. Julean Arnold. Among those present were members of the Chinese Red Cross and prominent Chinese physicians and surgeons. On Tuesday evening, they were enteratained by Chuan Teh-sze, of the Red Cross Society of China. The party includes

Announcement —

Toyo Murakami, art and Oriental curio specialists, formerly located at the Palace Hotel on Nanking Road, have removed to their new premises at Corner of Kiangse and Ezra Roads, Shanghai.

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Judge John Barton Payne, president, American Red Cross; Viscount B de Roge, secretary, International Red Cross, Paris; L, E. Gielgud, Secretary, Red Cross, Paris; Mr. and Mrs. Pope of the executive committee American Red Cross and Col. Henry Jewett Furber of Chicago.

Tong Shao-yi veteran Chinese statesman, residing in Shanghai has returned from a trip to the Straits Settlements.

Sir James Jamieson, formerly British Consul-General at Canton, who has been transferred to Tientsin, departed from Shanghai on Wednesday, Dec. 15 for his new post.

John Randall Dunn, C. S. B., of the First Church of Christian Science in Boston, will lecture on Christian Science in Shanghai on the evening of Friday, Dec. 17, the meeting being held in Masonic Hall.

The liquidators of the Russo-Asiatic Bank have announced that all bank notes issued by the Bank in the Shanghai district are shortly to be redeemed at face value. The amount of notes outstanding here is said to be about $65,000.

The Chinese exhibit, consisting mostly of products from Kiangsu province, at the Philadelphia Sesquicentennial Exposition, this year, received thirteen prizes, according to word recently received by the Chinese General Chamber of Commerce of Shanghai.

The three cable companies with offices in Shanghai have announced a special rate on Christmas messages, the rate being based on a ten-word message in plain language, the total cost ranging from $3 to $6 for most places in the United States, Canada and Europe.

M. Speelman of the International Savings Society has returned to Shanghai after an absence of several months spent in Paris. Mr. Speelman returned by way of the Trans-Siberian Railway and reports a comfortable trip. Mrs. Speelman will return in the spring by way of Suez.

Dr. Anne Walter Fearn of Shanghai who has been visiting In Peking is expected to return to Shanghai this week. Dr. Fearn, accompanied by her niece, Miss Edgar, is planning to depart from Shanghai about the first of January on a trip to her home in the United States, traveling by way of Europe.

Mrs. Anne Tiffany of New York who has been visiting in Shanghai for several days expects to depart on Saturday, Dec. 18 for Manila where she will be the guest of friends over the Christmas holidays. Mrs. Tiffany is one of the best known women of New York and is on her first trip in the Far East.

Wm. Pimley, who has been manager of the Commercial Pacific Cable Company in Shanghai, has been transferred to Manila for one year, following which he will retire from the service. H. Taylor has been appointed manager at Shanghai and will assume his duties upon Mr. Pimley's departure for Manila.

Miss Sally A. Rehnborg, a sister of C. F. Rehnborg of Shanghai was married on Dec. 14 to Francis F. Vaughn of the Standard Oil Company. The wedding was held at Community Church, the Rev, C. M. Drury, officiating. Immediately following the ceremony, Mr. and Mrs. Vaughn departed on a trip to North China.

Dr. V. K. Ting, director of the Shanghai-Woosung Administrative District, who was injured in a motor accident last week, is still confined to the hospital and according to his physician, Dr. W. S. New, will not be able to return to his duties for several weeks. Dr. Ting is suffering from concussion of the brain and a severe injury to his face.

The Intercollegiate Joint Entertainment Committee, representing more than 20 leading colleges and universities in the Shanghai district will hold an entertainment on Saturday, Dec. 25 at the Oriental Library, Commercial Press, Paoshan Road. P. K. Chu, secretary of the World's Chinese Students Federation, is chairman of the Intercollegiate Joint Entertainment Committee.

The Chinese butcher shops and groceries in Shanghai have formed an association, the first action of which, has been to notify foreign customers that there is to be "nothing doing" in the way of Christmas "cumshas," or presents this year. The reason for the action, according to a notice in the papers, is that the margin of profit on foreign goods is so small that the merchants cannot afford to give presents anymore.

According to judgment handed down by Judge Milton D. Purdy of the U. S. Court for China on Saturday, Dec. 11, Ernest Henry Oliver, British subject, was denied the right to collect the sum of 54 800 German "gold" marks from the Asia Life Insurance Company, an American concern. According to the evidence, Mr. Oliver took out a policy with the Asia Life Insurance Company in November, 1921, the policy being of the 20-year type, and paid the whole premium at one time, amounting to 62.525 marks. Recently Mr. Oliver attempted to collect his policy in German "gold" marks, but the Company offered payment in "paper" marks similar to the type in circulation when the policy was purchased.

Two Japanese, K. Kido and F. Fujima, chief mate and bo'sun respectively of the steamer Manri Maru chartered by the Kamashita Kisen Kaisha, who were involved in the incident on May 3 resulting in the death of a Chinese, Chen Ah-dong, were sentenced to prison for terms of four and two years respectively, according to information supplied by the Japanese Consulate in Shanghai this week. The case was tried in the Nagasaki District Court and according to the evidence Chen Ah-dong, a peddlar, was accused of stealing articles from members of the crew of the steamer. Owing to serious Chinese agitations resulting from the affair it was feared for a time that a general boycott might result.

Prof. Frank Wm. Lee, M. A., who for some time has been a member of the faculty of Shanghai College, has been elected Vice-President of the institution, according to action of the faculty this week. Prof. Lee is a son of a prominent Chinese merchant in New York and although educated as a lawyer, became a preacher in the Chinese Baptist churches in the United States. When he returned to China he renounced his American citizenship and for a considerable time served as private secretary to Dr. Sun Yat-sen. During the revolution of 1911 he was head of the political bureau of the Bureau of Foreign Affairs and has also held other positions in the Canton Government. For a period of nine years he was head of the Pui Ching Academy of Canton. He is also a writer of note, having been asked to edit the biography and writings of the late Dr. Wu Ting-fang.

The Indo-China Steam Navigation Company's steamer, Lienshing was wrecked at 4 o'clock Sunday morning, Dec. 12 on the Amherst Reef about forty miles out of Shanghai, about forty Chinese losing their lives in the disaster. There were no foreign lives lost. The Lienshing was placed in service in 1924 and was considered to be the best and most modern ship on the Shanghai-Tientsin run, it having been constructed by the Hongkong and Whampoa Dock Company of Hongkong. The ship cost $280,000, had a tonnage of 2,416 and was insured in London for £90,000. There were 32 foreign passengers, 150 Chinese passengers and a crew of 55 men aboard at the time of the accident. Capt. J. B. Simpson was in command at the time. The cause of the accident is unknown and is now a subject of official inquiry. The rescued passengers were picked up by one of the Pilot boats and brought to Shanghai on Sunday afternoon.

Developments in the China Situation for the Past Week

Public attention is now concentrated upon Hankow where discussions are proceeding between the new British Minister to China, Mr. Miles W. Lampson and officials of the Canton Nationalist Government and Kuomintang Party leaders, regarding a settlement of British-Chinese troubles in South China and on the Yangtsze River. The Chinese who are taking part in the conversations are Eugene Chen, Minister of Foreign Affairs of the Canton Government; Geo. Hsu Chien, Minister of Justice; T. V. Soong, Minister of Finance; Sun Fo, former Mayor of Canton; Mrs. Sun Yat-sen, widow of the late Dr. Sun Yat Sen. In addition Mr. Borodin, Soviet Adviser to the Canton Government, is also hovering on the sidelines watching the situation and advising the Chinese delegates. The only prominent member of the Canton regime not present at the negotiations is Gen. Chiang Kai-shek, commander-in-chief of the Kuomintang forces, who as these lines were written, was still in Kiangsi province. However, the Cantonese leaders had an opportunity to confer with Gen. Chiang Kai-shek as they journed through Kiangsi province on their way overland from Canton to Hankow.

Mr. Miles W. Lampson

The Sun Yat-sen Family

An interesting phase of the present Canton situation is that practically all of the southern political leaders now in Hankow are members of the so-called Sun Yat-sen family "clique." First there is Mrs. Sun Yat-sen, widow of the late Kuomintang leader. Then there is Sun Fo, the son of Dr. Sun Yat-sen and T. V. Soong, brother-in-law of Dr. Sun Yat Sen. Eugene Chen, Minister of Foreign Affairs of the Canton Nationalist Government was private secretary to Dr. Sun Yat-sen, for a considerable period prior to Dr. Sun's death and Mr. Borodin, the present Soviet Russian adviser, was also attached to Dr. Sun both at Canton and Peking, prior to Dr. Sun's death.

America and Japan Also Interested

That there is deep interest in what is now taking place at Hankow is indicated in the presence there of Ferdinand L. Mayer, Counsellor of the American Legation at Peking and Mr. Saburi, chief of the Treaty-Making Bureau of the Japanese Foreign Office. According to newspaper reports from Hankow, Mr. Mayer and Mr. Saburi have also been discussing the situation with Eugene Chen, but thus far there have been no public announcements regarding the matters discussed.

Situation in the North

Marshal Chang Tso-ling, now dominant in the North and recently appointed commander-in-chief of the Ankuochun, or "National Salvation Army", is apparently doing everything possible to prevent the Canton Government from being recognized by the Powers. He has ordered a general attack on the Southern forces in the Yangtsze Valley both in the Lower Yangtsze and at Hankow, but is meeting with opposition on both fronts, not from the Southern forces, but from the forces of Wu Pei-fu and Sun Chuan-fang, the two latter being about all that is left of the Chihli Party. The recent deal which was put over in Tientsin whereby Marshal Sun Chuan-fang agreed to accept "assistance" from the Fengtien Party against the South, apparently has not done the Fengtien Party much good, for so much opposition has developed in the Lower Yangtsze area that Gen. Chang Chung-chang, Fengtien tupan of Shantung has not been able to advance his troops further south along the Tientsin-Pukow Railway than Hsuchowfu, in Northern Kiangsu province. Gen. Chang Chung-chang did send some troops to Pukow on the Yangtsze River, opposite to Nanking, but he was forced to withdraw them to Hsuchowfu owing to the threatening attitude of Gen. Chen Tiao-yuan, tupan of Anhwei, who apparently has refused to concur in the deal put over by Sun Chuan-fang, erstwhile commander of the forces in the five Southeastern provinces of Anhwei, Kiangsi, Kiangsu, Chekiang and Fukien, but now reduced to Chekiang and that part of Kiangsu which is south of the Yangtsze River.

Also Trouble With Wu Pei-fu

Marshal Chang Tso-ling has also been having difficulties with his attempts to work out some form of "cooperation" with Marshal Wu Pei-fu, the Chihli military leader who is now stationed at Chengchow, Honan province. Although Marshal Wu cooperated with Chang Tso-ling in the campaign against the Christian General, Feng Yu-hsiang's forces at Nankow and Kalgan, Marshal Wu was himself practically eliminated and emerged from the campaign in a worse condition than Feng Yu-hsiang. The Fengtien militarists, Chu Yu-puh, Chang Chung-chang and so on have gradually monopolized the territory in North China until Marshal Wu, once the strongest power in the whole country has now been reduced to sad estate and is barely able to hold on in Honan province, most of his subordinates, according to report being in secret alliance with the Southern forces in Hupeh. Marshal Chang Tso-ling, the Manchurian dictator, according to report a few days ago, has decided to take the bull by the horns and send Fengtien troops into Honan province despite objections raised by Wu Pei-fu, who naturally wants to run the show himself. How the situation will be worked out is impossible to say at this time, but on Sunday, Dec. 12 there was a report that Fengtien troops under Gen. Chang Hsueh-liang (son of Chang Tso-ling) had clashed with the troops under Wu Pei-fu in northern Honan. There is therefore an active possibility that Marshal Wu Pei-fu will either be squeezed out entirely or will be forced into an alliance with the Southern forces, for he is not only being harassed by Chang Tso-ling on the North, but also by the Christian General's forces in Kansu, which are now advancing through Shensi with the objective of linking up with the Kuomintang in Hupeh and then with ultimate plans of driving directly on Peking with the idea of driving Chang Tso-ling back into Manchuria.

Situation in the Lower Yangtsze

That Chekiang province will shortly be absorbed by the Southern forces is evidenced by rumors of independence declarations and by the actual presence of Southern troops in that province at the town of Chuchowfu, which is located near the Kiangsi border. According to the report, Gen. Chow Feng-chi, formerly under Marshal Sun Chuan fang in Kiangsi, has deserted to the Southerners and with a force of about 5,000 troops has advanced into Chekiang, claiming that he is in command now of one of the Southern armies. As a result of this and the apprehension felt generally in Chekiang a number of the public bodies have passed resolutions asking Gen. Lu Hsiang-ting, a subordinate of Sun Chuan-fang to remove his headquarters from Hangchow and evacuate the province. Gen. Lu has refused to do this and apparently Marshal Sun intends to make a stand against the Southerners in Chekiang, gradually falling back on Shanghai, which Sun apparently intends to hold as long as he can. Sun is making a desperate attempt to hold the lid on at Shanghai and has prohibited all public gatherings, sealed up the student and labor union headquarters and is enforcing the strictest curfew regulations. Whether he can maintain his position against the Southerners is extremely questionable owing to the state of public opinion in the Shanghai and Chekiang areas which is manifestly sympathetic toward the South.

Dangerous Conditions in Szechuen

According to reports from Hankow, the situation in Szechuen province continues to become worse, Gen. Yang Sen, stationed at Ichang being unable to control his soldiers, while Gen. Liu Hsiang at Chungking has been threatening to take over the Chinese Maritime Customs office there and convert the revenues to his own use. According to one report both the American and British Legations at Peking have warned their nationals in Szechuen province to be on their guard in case a general evacuation of foreigners from that region may be necessary. Practically all large-scale Chinese business in Szechuen province has been killed and foreign business seriously curtailed by the arbitrary tax impositions of the militarists controlling the area. The transit-passes issued by the Customs exempting foreign merchandise from likin taxes are now generally disregarded. In addition to this situation there is a general propaganda along the lines of anti-capitalism, anti-imperialism and anti-unequal treaties, that is making the position of foreigners in that area increasingly dangerous.

From the Chinese Press

December 8.—Mukden authorities announce plans for construction next year of a big wireless station, the materials to be of German manufacture; Mukden authorities claim they have no concern with any agreements pertaining to radio construction which the Peking Government may have made with the Powers—The Fengpiao, or Mukden paper currency dropped to 500 Fengpiao for Yen 100—Gen. Ho Ying-chin, commander of the Cantonese forces is expected to reach Foochow shortly, Gen. Ho being accompanied by six Russian advisers—Marshal Chang Tso-ling has announced the flotation of $10,000,000 in Fengtien paper money in Peking shortly—Chang Tso-ling, as leader of the Ankuochun forces will use an official seal made of solid gold—Gen. Liu Tsung-hua arrives at Chenchow, Honan, to report on Shensi situation to Marshal Wu Pei-fu—Prominent Kuomintang leaders reach Hankow and Gen. Tan Yen-kai circulates telegram announcing Southern Capital to Hankow—Ghiang Kai-shek appoints Gen. Fang Pen-jen, former tupan of Kiangsi as his high adviser—Gen. Chiang Kai-shek calls military conference in Hankow for purpose of discussing military situation respecting the Fengtien and Shantung troops—Rumored that Chang Chung-chang, tupan of Shantung will transfer his headquarters to Pukow—Quo Tai chi former secretary to Dr. Sun Yat-sen appointed Commissioner of Foreign Affairs and superintendent of customs at Hankow and Gen. Chen Ming-chu appointed commander of the 11th division of the Southern Army—Charge d'Affairs of Soviet Legation calls on Wang Yin-tai respecting the Sino-Russian Conference.

December 9—10—Diplomatic Body lodges protests with Peking Government over illegal taxation in Chihli Province of alcoholic liquors; French Minister protests murder of French Consul in Kwangsi Province: British Minister protests detention of goods belonging to British-American Tobacco Company by Tientsin-Pukow Railway authorities; British, American and French protest defaults of interest on railway loans—Twenty-four killed and 50 injured in wreck on South Manchuria Railway near Taonan, Manchuria—Fengtien militarists definitely order southward advance on Peking-Hankow Railway, the troops of Gen. Chang Hsueh-liang and Hon Lin-chun to concentrate at Chengchow, Honan—Mr. Saburi of Japanese Foreign Office reaches Hankow to observe situation and possibly confer with Kuomintang forces—Leaders of Canton Nationalist Government and Kuomintang party reach Hankow and register at Terminus Hotel—*Kuo Wen* Agency reports that Cantonese troops have reached Chuchow, Chekiang Province in northern advance from Fukien—Sun Chuan-fang promises to raise $10,000,000 in military funds in Kiangsu province for financing the Fengtien advance southward—*Kuo Wen* agency reports interview with Chang Hsueh-liang (son of Chang Tsoling) to effect that the Mukden party might make peace with the Kuomintang if the Canton Government would discharge all Russian advisers; Gen. Chang Hsueh-liang states that Kuomintang representatives which were arrested in Tientsin by British authorities and handed over to Fengtien authorities, were being well treated and would not be executed—Unconfirmed reports that Kuominchun troops under Feng Yu-hsiang, have reached Honan—Ankuochun forces announce appointment of Gen. Yu Kuo-han as chief of staff; Chang Tse-yi as chief of military bureau and Chen Chien, chief of the General Affairs Bureau and Jen Yu-lin as chief secretary—31st Shantung division reaches Hsuchowfu, Kiangsu, under command of Gen. Sun Tien-yin—Marshal Sun Chuan-fang requests Gen. Chang Chung-chang to come to Nanking immediately—Gen. Chin Yun-ao of Wu Pei-fu forces reaches agreement with Southerners for division of revenues of Peking-Hankow Railway, the Northerners taking all revenues north of Hsinyang and Southerners all revenues south of that point—Alfred Sze, Chinese Minister to Washington advises Peking that the American Government will move very cautiously in the matter of extending recognition to the Chinese Southern Government, stating that the American Government is still disposed to recognize the Peking Government—Peking Cabinet situation still at standstill, Chang Tso-ling reported as trying to induce Dr. Koo to carry on, but Koo apparently wants to resign acting premiership while retaining the office of Minister of Foreign Affairs—Kailan Mining Administration, British concern, enters into agreement with Fengtien faction for expansion of Company's business, whereby the Company agrees to advance the sum of $1,500,000 in advance taxes to Fengtien militarists, term of contract to be five years—Japanese *Toho* Agency reports that since Lao Chih-chang, vice minister of Communications has been arrested that the chief of the telegraph department, Chiang Tsung-wei will proceed to the renewal of the contract with the Great Northern Telegraph Company—More than 80 percent of the officials of the Canton Government have departed for Hankow, those still remaining at Canton including Tan Yen-kai and Chang Ching-kiang—Gen. Chang-I at Foochow announces that he will surrender to the Southern commander, Gen. Tu Chi-yun and retire to private life, also asks that his private property held by Admiral Sah Chenping, be returned—Strike Arbitration Committee organized at Canton to prevent constant disruption of business owing to labor union demands.

December 11.—Sun Chuan-fang issues orders prohibiting all public gatherings in Shanghai area and summons V. K Ting, mayor and Chiang Pei-chi to Nanking for a conference; *Kuo Wen* Agency reports that several trains loaded with troops of Bei Bao-san from Haichow have arrived at Pukow and that troops will be stationed at Changchow and Ichang—Chinese chambers of commerce in Wu-Han cities request commissioner of customs to allot a certain percentage of customs revenues for famine relief in Hupeh province—British Minister Lampson calls meeting of British residents of Hankow to consider local situation—Chinese Chamber of Commerce in Hankow announces formation of Committee on labor problems and that henceforth no strikes may be called without reference to this committee—Workers in oil mills in Hankow strike for higher pay—Pan Fu, Minister of Finance at Peking and Dr. W. W. Yen hold conference with Sir Francis Aglen with reference to the 96 Million Dollar Loan—Owing to continued silence of Wu Pei-fu, Chang Tso-ling decides not to advance Fengtien troops into Honan—Chinese people, instigated by Kuomintang propagandists, start strong agitation in Kiukiang against dispatch of Fengtien troops southward along Tientsin-Pukow Railway-Issuance of military notes by Southern forces in Kiangsi cause serious trouble and trade depression.

December 12.—Peking dispatch states that three Fengtien brigades have reached Paotao under Generals Van Fu-ling and Kao Wei-yen—Meeting of Chinese Tariff Conference Delegates consisting of Wellington Koo, W. W. Yen, Wang Chung-hui, Pan Fu and Tsai Ting-kan, decides that since there is no chance of inducing the Powers to send their delegates back to Peking, that the conference be brought

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to an end and that the blame be placed on the Powers—Gen. Yen Hsi-shan, tupan of Shansi appointed a vice-commander of the Ankuochun forces—Public bodies in Chekiang start movement for creation of an autonomous government and request Gen. Lu Hsiang-ting to abolish the military headquarters at Hangchow and remove Marshal Sun Chuan-fang's troops from the province; however Marshal Sun refuses to listen to the request and orders his forces to defend the province against the Southerners—Southern forces reported to have advanced into Chekiang and occupied the town of Chuchowfu—Main body of Southern troops said to be at Changshan, Kiangsi preparatory to advancing into Chekiang—Sir Francis Aglen, Inspector-General of Customs at Peking receives reports from Hankow, Changsha and Kiukiang to the effect that preparations are being made for levying surtaxes on imports and exports by the Southern forces similar to the situation at Canton—More than 100,000 people said to have participated in welcome at Hankow to officials of Southern Government—Clash takes place at Tzuchow on Peking-Hankow Railway between troops of Wu Pei-fu and Fengtien forces, causing Gen. Chu Chin-chun to hurry to place to try stop further trouble—M. Carol Pintoiru, Polish Plenipotentiary arrives at Mukden on way to Peking for purpose of negotiating a commercial treaty with China.

December 13.—Japanese *Toho* dispatch from Hankow states that Gen. Yang Sen has transferred his troops to Shashih in order to oppose attack by Southern forces—Kiukiang laborers stage general strike under orders of General Labor Union and hold meetings denouncing Fengtien troops—Gen. Chiang Kai-shek reported planning to depart from Kiukiang for Hankow—Generals Chu Yuanchuan and Sun Tien-yin, commander and vice-commander of the 6th division Shantung troops, arrive in Hsuchowfu, Kiangsu with their forces and establish headquarters there—Native banks in Hankow close down owing to strike of employes; strike of Chinese printers continues. *Kuo Wen* report states that Gen. Chow Feng-chi, formerly under Sun Chuan-fang in Kiangsi has gone over to Southern side and has occupied the town of Chuchowfu in Southwestern Chekiang in the name of the 19th Army of the Southern forces.

December 14.—Hankow dispatch states Szechuen troops are arriving at Ichang in large numbers and that great disorder prevails, Gen. Yang Sen finding it difficult to control the troops—Tan Yen-kai, Chang Ching-kiang, Peng Tse-min, Liang Chung-kai, Wu Tieh-cheng and Madame Ho Hsiang-i have departed from Canton for Hankow—Two battallions of troops under Gen. Meng Chao-yueh and belonging to Marshal Sun Chuan-fang, arrived in Shanghai on way to Kashing and more troops are being sent to Sungkiang—Two Southern officers connected with the Kuomintang troops in Kiangsi were removed from a Butterfield and Swire Steamer at Nanking by Sun Chuan-fang's forces and executed—Chekiang provincial assembly and Chamber of Commerce send two delegates, Sung Chung-yei and King Zung-chien to Shanghai in connection with the provincial autonomy movement—Chu Chi-chien, former Minister of Agriculture and Commerce, Peking, starts movement in Shanghai for the formation of a Chinese industrial and financial organization for the purpose consolidating local industries—Ministry of Agriculture and Commerce, Peking, warns stock exchanges against dealings in the 96 million dollar loan which might cause fluctuations—Employes of Native Banks in Hankow area participate in welcome to Cantonese leaders—13th Fengtien brigade stationed at Nanyuan has been moved to Paotingfu—

(*Continued on page VI*)

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New Books of Interest in the Far East

Mrs Ayscough's Latest Book

The Autobiography of a Chinese Dog. Edited by His Missus (Florence Ayscough). With fourteen full-page writing brush sketches by Lucille Douglass. Houghton Mifflin Company, Boston and New York. G. $2.00.

Mrs Ayscough has written another adorable book. It is interesting. In her beautiful and erudite "A Chinese Mirror", the author devoted herself to explaining and olarifying some of the profundities of the Chinese classics; in her new book she writes on topics less profound but not with less sympathy, understanding and literary charm. By permitting her Chinese dog, Yo Fei, to relate the story of his own life in China and to reflect upon the foibles of his human associates, Mrs Ayscough has hit upon a happy conceit by means of which she is able to present coherently many fragmentary observations and bits of lore that otherwise might be unavailable. Among modern writers on China, Mrs Ayscough is by far the most engaging, the most enlightening and the most authoritative. She has already justly gained for herself in America and in Europe a preeminence in the portrayal of the finer aspects of Chinese civilization

But to return to Yo Fei. I prefer to believe that he actually wrote the book, pounding the keys of a typewriter with his own little paws. I am moved by his innocence, impressed by his good taste and astounded by his intelligence. I always had a suspicion that dogs knew more than humans. But let's get on with our story and see what Yo Fei has to say. He has to say a lot—more than most people. He was born in the House of the Pear-tree Clan, he moved to a foreign house and at first was not particularly impressed with the peculiarities of foreigners, he adopted the name of "Yo Fei" because it was the name of a great Chinese hero, he listens to and repeats stories he hears at tea-drinking time, he eats the fish which his Amah has bought at the market for his Missus, he lives in Wild Goose Happiness House, he watches a dragon dance, he delivers a disquisition on the moon, he goes to a Chinese theater and explains the conventions connected with the Chinese stage, and he contemptates his ancestors, which gives him an opportunity to tell the story of the origin of the most famous of the Chinese canine breeds.

"Humans", shrewdly remarks Yo Fei, "are most extraordinary"; and who can dispute him? It is not often that we are favored with, a dog's opinion of humans; although we are supplied plentifully with humans' opinions of dogs,

Occasionally Yo Fei attains a literary excellence which human writers well might envy as when he tells of the fondness of the Chinese for birds of their habit of taking their feathered pets out for a walking and of the Chinese trick of inducing birds to sing;

One bird will pit his skill in song against a rival, if that rival be unseen. To attain this end, their masters wrap a square of thick blue cloth around the cages, and then the duo begins. Bright sounds clash and splinter in the air: it is a veritable tourney of tone; and when the tourney is done, when the hour of yellow dusk deepens momentarily, then master and bird are apt to rest, as Missus and I have often seen them do, by the shores of some still canal. The master sits as my country-people are able to do, quite comfortably on nothing at all; the bird, uncovered now, twitters his orison, and possibly the reflection of a far-off pagoda shivers and breaks on the skin of the water.

We read Yo Fei's last chapter with apprehension. We won't say what our apprehension was, but we were glad to find that it was unfounded. If you are already too fond of dogs, avoid reading this book.

Mrs Ayscough is an artist. I wish she could write with both hands, that she might produce twice as many books on China.

Of Miss Douglass' refreshing sketches it is enough to say that they are in harmony with the text.

Thomas Steep.

The Msytery Hawthorne Books.

"The Yarn on a Yankee Privateer" edited by Nathaniel. Hawthorne, Funk & Wagnalls Company, New York. 12 mol cloth $2.00 net.

Who was the author of this interesting tale from the days of the war of 1812? Funk and Wagnalls Company has offered a reward of $500.00 for convincing proof regarding this question.

This story first appeared in a magazine in 1846. It was edited by Nathaniel Hawthorne. The first thought is that perhaps he was the editor. But after reading the book one gives up that idea. The book is manifestedly a record of personal experiences. And since Nathaniel Hawthorne was but eight years old during the war of 1812, he could not therefore have had the experiences related.

The book fills a gap in our literature, for there is very little of this type of material about those days. The author was on one of the privateers which preyed on English trade. After a brief experience as such he was captured and imprisoned first in the Bermuda Islands and then later in England. He has the 'newspaper sense' for the human interest stories.

C. M. D.

International Claims

Preparation of International Claims By George Cyrus Thorpe, A. M., LL. B. Kansas City, Mo. Vernon Law Book Company St. Paul, Minn. West Publishing Company 1924.

Of especial value to lawyers, and students of international law, in the Far East is this scholarly work on international claims and their presentation by a member of the bar of the District of Columbia and of the American Society of International Law. "Of some sixty-five arbitral settlements of international claims, of which the United States has been a party," says the author in his introduction to his study, "the amount submitted for adjudication in three alone was more than two billions of dollars. Possibly the total of claims submitted to diplomatic or arbitral settlement, in which the United States has been a party, is little less than five billions of dollars". This fact taken in conjunction with the growing popularity of this method of settlement by judicial instead of military or other harsher methods warrants the careful preparation of such a guide as the one under consideration.

In approximately three hundred pages the author traces his subject historically, gives a discussion of the status of aliens, then passes on to the consideration of the presentation of individual claims. Claims, Commissions, Issues and State Department requirements are also taken up in detail. Of

(*Continued on page VI*)

In the United States Court for China

FRANK A. CRAMPTON, Plaintiff,

vs

RUTH CRAMPTON, Defendant.

Cause No. 2873

Civil No. 1169

SUMMONS

Filed at Shanghai, China,

The President of the United States of America

To the United States Marshal for China and his Deputies—

GREETING:

You are hereby commanded to serve this Summons and a copy of the petition in the above entitled action upon the defendant

RUTH CRAMPTON.

and to notify her to be and appear before this Court on or before the sixtieth day after service hereof to file her written answer on oath.

(SEAL) WITNESS the HONORABLE MILTON D. PURDY, Judge of the United States Court for China, at Shanghai, China. Nov. 24, 1926.

L. T. KENAKE
Assistant Clerk.

Excerpt from Regulations, Section 8: On proof of due notice, judgment by default shall be procured against any defendant failing to appear and file his written answer as required.

Latest New York Stock Exchange Quotations

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Closing Rates—December 15

Market Closed: Firm Business Done 2,200,000

December ,15 1926 Average 1925

STOCK	LATEST	HIGH	LOW
American Telephone & Tel. Co.	150⅛	145	130⅝
American Tobacco (Class B)	121⅜	119½	84½
Anaconda Copper	48¾	53¼	35¼
Baldwin Locomotive	163½	146	107
Bethlehem Steel (Ord)	63½	53½	37
General Motor (Common)	147⅝	149¾	64⅛
Liggett & Meyers (Class B)		89⅞	55½
Pennsylvania Railroad	56	55⅜	42½
Tobacco Products	109⅝	101¾	70
Tobacco Products (Class A)	114¾	110⅜	93⅛
United States Rubber Co.	60½	97¼	33½
Du Pont de Nemours (Common)	172	271¼	134¼
Packard Motor Car Co.	37	48½	15
British—American Tobacco-	23¾	28½	24¼
Union Pacific R R (Common)	161¼	153¼	133¼
U. S. Steel	152⅞	139¼	112⅜
Anglo American Oil (Voting Shares)	19½	26⅜	17⅛
British American Oil	80½	47½	38
Phillips Petroleum	56½	47⅞	36¼
Imperial Oil	37¾	134¾	27¼
International Petroleum	31¼	35⅜	22⅛
Continental Oil	19⅝	31⅛	21⅞
Standard Oil of Calif	57⅞	67¼	51½
" " Indiana	65½	70¾	59½
" " New Jersey	37⅞	47½	38⅜
" " New York	32¾	48⅝	40

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American Gold Bond Quotations

Name of Security	Coupon Rate %	Date of Maturity	Sale Price Dec. 2nd.	Sale Price Dec. 9th.	Approx. Yield to Maturity Dec. 9th.
Szecho-Slovak Govt. Sinking Fund Loan...	8	Oct. 1, 1952	105	106	7.45
Cuban Domin. Sugar Co. 1st Lien S. F. Loan...	7½	Nov. 1, 1944	99½	99½	7.55
Republic of Chile S. F. Loan	7	Nov. 1, 1942	100⅜	100⅞	6.90
Argentine Government Ser. "A".....	6	Sept. 1, 1957	98¼	99	6.05
German Governments S. F. Loan.....	7	Oct. 15, 1949	105¾	106½	6.45
Kingdom of Norway S. F. Loan.....	6	Aug. 15, 1943	101⅞	101⅞	5.85
Deutsche Renten Bank 1st Lien Farm Loan	7%	Sept. 15, 1950	100	101½	6.90
Can. Pac. R. R. Co. Debenture Stock.....	4	Perpetual	84⅜	84½	4.73
Belgian Government S. F. Loan.....	6	Jan. 1, 1955	90⅜	91⅜	6.65
Andes Copper Mining Co. Debentures.....	7	Jan. 1, 1943	107⅜	107½	6.25
German General Electric Co. S.F. Loan....	7	Jan. 15, 1940	102¾	103½	6.65
Saxon Public Works Inc. 1st Mtge. Guaranteed S. F. Loan....	7	Feb. 1. 1945	100½	102	6.80
Cuban Northern R. R. Co. 1st Mtge. Loan....	6	July 1, 1966	99	99½	6.05
Dodge Brothers Inc. Debentures	6	May 1, 1940	95⅜	95⅜	6 50
Republic of Haiti.....	6	Oct. 1, 1952	98¼	98½	6.10
Czecho Slovak Government Ext. S.F. Loan..	7½	Oct. 1, 1945	104⅜	105	7.00
Kingdom of Italy, Ext. S. F. Loan.....	7	Dec. 1, 1951	92	92½	7.70

The National City Company International Bank Building No. 2A Kiukiang Road, Shanghai, China.

These quotations are subject to confirmation by the National City Company of New York.

Shanghai Exchange for Week Ending Wednesday, Dec. 15, 1926

By Maitland, Fearon and Brand

Exchange:—The price of Bar Silver in London has improved during the past wee today's quotations 24 11/16d. ready and 24 3/4d. forward are respectively 1/16d. and 1/4d. above the ruling this day last week. The official T/T rate on London has advanced to 2/5. N increase in the volume of business passing in the exchange market can be reported, alth Gold Bars have been mainly responsible for the local support to the market. More bus are in evidence at the close of today's market and a slightly easier feeling prevails. Th following rates are offering, sellers T/T London 2/5 3/8d., New York 59 3/8, Yen 82 1/2, 4 Sterling paper can be placed in small quantities at 2/6 1/8d. but 2/6d. is the rate generall quoted. There are buyers of 4 m/s G. $ bills at 60 7/8.

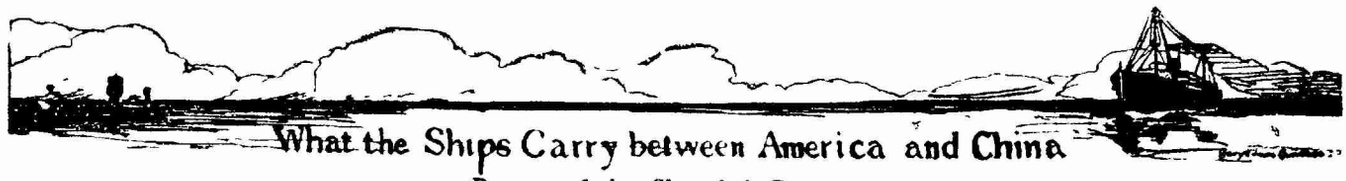
Our stocks of silver are reported as follows:—

Sycee and Bar Silver..... Tls. 73,852,000 a decrease of Tls. 3,484,00
Chinese and Mexican Dollars.....$ 71,570,000 an increase of $ 2,550,00
Estimated value Tls. 125,382,000 as against Tls. 101,856,000 held at this time last ye

	Average rates for Nov.	Thursday Dec. 9	Friday Dec. 10	Saturday Dec. 11	Mon Dec. 13	Tues Dec. 14	Wednesday Dec. 15
Bank's selling rates		*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*
T/T London	2/4.894	2/4 3/4	2/4 3/4	2/4 3/4	2/5	2/5	2/5
D/Dfts ,,	—	2/4 13/16	2/4 13/16	2/4 13/16	2/5 1/16	2/5 1/16	2/5 1/16
4 m/s ,,	—	2/5	2/5	2/5	2/5 1/16	2/5 1/16	2/5 1/16
T/T India	161 615	161 1/4	161 1/4	161 1/4	162 3/4	162 3/4	162 3/4
T/T France	1,724 423	1455	1480	1485	1475	1470	1475
T/T N. Y.	58.288	58	58	58	58 1/2	58 1/2	58 1/2
T/T Hong	80.394	81	81	81	81	81	81
T/T Japan	83.990	84 1/2	84 1/2	84 1/2	83 7/8	83 7/8	83 7/8
T/T Batavia	145.067	144 1/4	144 1/4	144 1/4	145 1/2	145 1/2	145 1/2
T/T Straits	96.500	97	97	97	96	96	97
Bk's buying rates							
4 m/s B/L. Cred. D/A	2/6.894	2/6 3/4	2/6 3/4	2/6 3/4	2 7	2/7	2/7
4 m/s ,, D/P	—	2/7	2/7	2/7	2/7 1/4	2/7 1/4	2/7 1/4
6 m/s ,, B/L Cred D/A	2/7.207	2/7 1/16	2/7 1/16	2/7 1/16	2/7 5/16	2/7 5/16	2/7 5/16
4 m/s B/F Cred D/A	1.861.154	1585	1610	1615	1605	1600	1605
4 m/s N. Y. Lc.	61,788	61 1/2	61 1/2	61 1/2	62	62	62
4 m/s ,, Dacs	—	62	62	62	62 1/2	62 1/2	62 1/2

†Based on Daily Official quotation, higher rate taken on rising Market, lower when falling Bullion.	Dec. 9	Dec. 10	Dec. 11	Dec. 13	Dec. 14	Dec. 15
*London Price of Bar Silver per oz. (English Standard 925 touch)...Pence	24 13/16	24 3/4	24 11/16	24 11/16	24 11/16	24 11/16
**New York Price of Bar Silver per oz. (Pure)	G. $.53 1/8	G. $ 53 1/2	G. $.53 3/8	G. $ 53 3/4	G. $.54	G. $ 5
Shanghai Price of Gold Bars (weight Tls. 10 (Chanping) 978 touch).....	404.40	403.00	400.40	395.8	400.00	402.10
Shanghai Silver Bars (weight Tls. 100 (C.) 999 touch)	111.00	111.00	111.00	111.00	111.00	111.00
Shanghai Mexican Dollars per $100.....	73.775	74.	74 20	74.20	74.60	74.45
Native Bank Rate of Interest (Call money).....	1%	1%	1%	1%	1%	1%
*Closing Price in London for Previous day						
**Closing Price in New York for Previous day						

Bank of England rate of discount	5%	London Paris on	T/T 122.20
Bank of France rate of discount	7 1/2%	New York on London	T/T 485 1/8
London open Market of Dis. 3 m/s	4 9/16%	Bombay on London	T/T 1/5 3/8
,, 4 ,,	4 9/16%	Hongkong on London	T/T 1/11 1/8
,, 6 ,,	4 1/2%	Kobe on London	T/T 2/0 1/8



What the Ships Carry between America and China

Return of the Shanghai Customs

By Pls.—1 Picul or 133 1/3 pounds; Bls.—Bales; Pcs.—Pieces; Mille—thousands; Hk. Tls.—Haikwan Tls., Aug. Customs Rate Tls. 1.27 Goequall d$1

President Harrison, Nov. 9.

from U. S. A.

Lemons, Fresh	Pcs.	19,500
Apples, Fresh	*Pls.*	348

President Grant, Nov. 15.

from Manila.

Cigars	Mille	182

Don Jose, November 15.

From Manila.

Oil, Coconut	Pls.	1,682
Drums	Pcs.	532
Spirits of Wine	Galls.	18,976
Timber:		
Hardwood, Ordinary Sawn	Sup.ft.	520,099

Shidzuoka Maru, November, 16.

from U. S. A.

Cotton, Raw Bls. 2,075	Pls.	7,607
Fish, Salt	,,	215

Silverelm, November 17.

From U. S. A.

Cotton Voiles	Yds.	882
Gum, Resin	*Pls.*	74
Indigo Paste, Artificial, 20 per cent	,,	5,171
Leadfoil and Tinfoil,	,,	308
Leather, Sole	,,	150
Paper, Unclassed	,,	1,440
Turpentine, Vegetable	Galls.	341
Motor-cars	Pcs.	1

President Van Buren, Nov. 17.

From U. S. A.

Cotton Piece Goods, Yarndyed	Yds.	11,964
Waterproof Cloth	,,	498
Cotton, Raw. Bls. 484	Pls.	1,407
,, Yarn, Mercerised	,,	22
Woolen, Yarn	,,	7
Aluminium Sheets	,,	19
Copper Ingots	,,	3
Iron Bolts and Nuts	,,	5
,, Pipe Fittings	,,	153
,, Washers	,,	95
Iron, Galvanized: Pipe Fittings	,,	10
Tinned Plates, Decorated	,,	470
,, ,, Plain	,,	836
Tinfoil	,,	3
Asparagus, Canned	,,	9
Cream, Evaporated	,,	20
Dextrine	,,	53
Fruits, Canned	,,	200
,, Dried	,,	76
,, Fresh	,,	56
Glue	,,	5
Indigo Paste, Artificial, 20 per cent.	,,	799
Ink, Printing	,,	44
Leather, Calf	,,	9
,, Patent	,,	25
,, Sole	,,	368
Milk, Evaporated	,,	721
Oakum	,,	20
Oranges Fresh	,,	352
Paints	,,	90
Paper, Wrapping	,,	17
,, Writing	,,	25
,, Unclassed	,,	631
Raisins, Dried	,,	31
Rubber Sheets	,,	3
Stearine	,,	8
Sugar, Cube	,,	9
,, of Milk	,,	468
Tobacco, Leaf	,,	134
,, Prepared	,,	90
Hosiery	*Doz.*	80
Canned Salmons	,,	20
,, Sardines	,,	104
Motor-cars	Pcs.	51
Oilcloth	,,	790
Machines, Knitting	,,	22
Typewriters	,,	153
Safes, Iron	,,	18
Buttons	Gross	200
Shoes	Pairs.	2,599
Chocolate	Lb.	1,668
Oil, Lubricating, Mineral	Galls.	11,271
Cigarettes	Mille	4,060
Dyes, Aniline Pkgs. 590	Hk Tls.	27,460
Machinery	,,	62,577
Treasure: Silver Bars	,,	1,614,688

Chambord November 19,

To New York.

Silk, Raw, Steam Filature: White, other Ports Bls.65	Pls.	61.39
Yellow, Hankow Bls. 28	Pls.	27.57
Silk, Raw, Dupion: White, Shanghai Bls. 15	Pls.	14.96
Silk Pongees, Honan	,,	1740

President Taft, November 20.

To Manila.

Silk, Raw, not Re-reeled & not Steam Filature: White, other Ports Bls. 7	Pls.	5.53
Silk Pongees, Shantung	,,	1.03
Silk Pongees, Waste Spun, Shanghai Bls.1	,,	0.76
Silk Piece Goods	,,	1.83
Beans	,,	1,111
Chestnuts	,,	747
Cotton Socks	,,	4
,, Towels	,,	23
,, Yarn, Grey, Shanghai	,,	16
Dates, Preserved	,,	92
Groundnuts, Shelled	,,	717
Hams	,,	444
Lard	,,	410
Lead Type	,,	21
Nankeens	,,	61
Oil, Groundnut	,,	250
Pears, Fresh	,,	54
Seed, Melon Black	,,	192
,, Sesamum	,,	36
Walnuts	,,	167
Woodware	,,	25
Cotton Handkerchiefs	Doz.	400
Eggs, Fresh	Mille	1,316
,, Preserved	,,	12
Cotton Sheetings, Grey	Pcs.	2,400
,, Shirtings, White	,,	800
Pianos	,,	2
Trunks, Leather	,,	55

Foreign Goods.

Shirtings, White, Jap.	Pcs.	150

To Cebu.

Benas	Pls.	396

Foreign Goods.

Bags, Gunny, Old	Pls.	106

Oakridge November 25.

To Manila.

Chestnuts	Pls.	116
Garlic	,,	622

To Ilo-Ilo.

Silk, Raw, not Re-reeled & not Steam Filature: White, other Ports Bls. 7	Pls.	6.10

To Cebu.

Beans	*Pls.*	154
Nankeens	,,	8
Oil, Groundnut	,,	25
Drills, Grey	Pcs.	360
Sheetings, Grey	,,	200

To Portland.

Carpets	Pcs.	15

To New York.

Camphor	*Pls.*	10
Cassia Lignea	,,	1
Rhubarb	,,	132

West Ixon, November 19.

from U. S. A.

Timber: Softwood, Ordinary Sawn	Sup ft.	1,109,135

Siberia Maru, November. 19.

from U. S. A.

Cotton, Raw. Bls. 350	*Pls.*	1,292
Tobacco, Leaf	,,	1,498
Motor-trucks	Pcs.	14

Shinyo Maru, November 20

To Manzanillo.

Lard, Hog	*Pls.*	228

To Habana.

Silk Piece Goods	*Pls.*	1.01

To San Francisco.

Silk Piece Goods	*Pls.*	0.19
,, Pongees, Shantung	,,	0.91
,, ,, Honan	,,	17.40
Tea, Black, Congou, Hankow	,,	216
Tea, Green: Gunpowder, Ningpo.	,,	256
Other Kinds, Shanghai	,,	3
Eggs, Fresh	Pcs.	12,000
Treasure: Gold Bars	Hk.Tls.	215,626

To Hoboken.

Silk, Raw, Steam Filature: Whlte. Shanghai Bls. 75	Pls.	74.52
Yellow, Shanghai Bls. 10	Pls	9.82
Silk, Raw, not Re-reeled & not Steam Filature: Yellow, Hankow Bls. 5	,,	5.06

To Philadelphia.

Soap Lye Residue	,,	378

To Reading, Panama.

Silk, Raw, Steam Filature: White, Shanghai Bls. 50	Pls.	49.71

Weekly Cotton Market Report

By J. Spunt & Co.

China Cotton:—Our market throughout the past week remained on the whole in a steady position, in that prices showed no marked fluctuations, and there being practically very little of speculative operations in the local Exchange. Consumers appear to have adopted a waiting policy absorbing only small parcels at favourable rates and as are necessary for their immediate requirements, otherwise there has been so far no active demand.

The U. S. Bureau report of the 8th., December, 1926, indicating the preliminary estimate of cotton production at 18,618,000 bales is undoubtedly engendering a bearish outlook for the present, and as to whether prices will decline or advance in the near future seems to depend upon whether those who own this crop will be more eager to sell than Spinners are to buy.

Under the circumstances it is not permissible to advise heavy commitments on either side of the market and conservatism should be the keynote of all operations in the near future.

Yarn:—We have no change to report in the fundamental conditions of the local yarn market, in that prices ruling are nearly the same as last week. New business for export has been booked about 10000 bales in all counts at ruling rates.

Liverpool:—

American-Middling	6.47
American-Middling last reported	6.59
Tone of the market, *Steady.*	

New York Market:—

Price of Mid-Amer.	12.40 Spot.
	11.86 Jan.
	12.07 Mar.
	12.29 May.
	12.50 July.
	12.71 Oct.

Tone of the market:—*Easy.*

Indian Market:—

Fully Good Bengal, D./J.	206
Fine Oomra, Dec/Jan.	231
Fully Good Broach, A./M.	241

Tone of the market—*Steady.*

Shanghai Market:—

	Tls.
Tungchow, spot ex wharf	29.60
Shanghai, Nov.	28.50
M. Ginned Nov.	28.75
Shensi, No. 1 Spot	29.00
Ningpo, Spot, Ex wharf.	28.40

Tone of the market—*Quiet.*

Philadelphia Honors Republic of China's Birthday

The above is a picture taken at the Philadelphia Sesquicentennial Exposition at a banquet given in honor of the Fifteenth Anniversary of the Chinese Republic on October 12 last. The chief speaker was Mayor Kendrick of Philadelphia who congratulated China on her decision to be come a Republic and also congratulated the Chinese delegation at the Exposition on their excellent display of Chinese products. The Chinese Commissioner. Ziang-ling Chang responded to the Mayor's remarks said that the movement to create a Chinese Republic had been inspired by America's example and said facetiously that China had inspired the American revolution through supplying the Chinese tea for the Boston Tea Party. Other talks were delivered by P. W. Kuo and Rear Admiral Herman O. Stickney. Among the nearly two hundred guests present were E. T. Stotesbury, E. L. Austin, director general of the Sesqui; Brigadier-General H. G. Learned, Mr. and Mrs. John Frederick Lewis, Dr. William P. Wilson, Joseph R. Wilson, director of foreign participation; Emil Maurice Scholz world wide news association; Jack Ho, Vice-President of Vantine's, Inc.; New York, Mr. and Mrs. Owen J. Roberts, and K. C. Li, head of the Wah Chang Mining Co.

(*Continued from page 54*)

particular interest to those interested in China cases is the consideration of those having to do with the Rock Springs, Wyoming, and the Colorado mob incidents. Such a study as this should prove most acceptable to both Chinese and American Consular staffs.

H. F, MacNair.

St. John's University.

The Literary "Stetson"

The Stetson Hat in Literature, by F. Romer, published by John B. Stetson Co., Philadelphia.

It was a clever idea of the Stetson people to exploit the idea of their famous hat in literature, and Mr. Romer has done the job well in an attractive booklet, the cover of which depicts a cowboy (with his Stetson) riding a pen (no longer the implement of literature). The Stetson, whether spelled with large or small 'S' is inextricably mixed up with the American West and it was inevitable that it should become literary. There are testimonials from Homer Croy, who said his first introduction to a Stetson was when he accidentally sat on one belonging to Jack London; Charles Alden Seltzer, Arthur Stringer, Harold Bell Wright, Rex Beach and several others. Altogether it's an interesting booklet, a good ad, and a good hat, the only objection being that they cost too much in these parts where literature deals mostly with Chinese wars and costs forty cents a word to cable to the Home papers.

(*Continued from page 82*)

Chinese delegates to Customs Conference in Peking decide to issue a final notice to the Powers to send delegates back to the Conference.

December 15.—Eugene Chen, foreign minister of Nationalist Government in interview with Miles Lampson, British Minister at Hankow stated that in view of the Nationalist Government's control of most of the territory of China, the Powers should hand over to Canton its proportionate share of the Customs surplus and declared that if the Powers continue to hand over all of the surplus to Peking that the Nationalist Government would be forced to take its share from the local customs revenue—Gen. Liu Tsung-hua, formerly commander of Wu Pei-fu's forces in Shensi, who was defeated by the Christian General, arrives in Tientsin and reports to Chang Tso-ling that the Kuominchun troops are entering Honan—Dr. Wellington Koo again submits resignation and requests Chang Tso-ling to form a new Cabinet; generally believed that Chang will go to Peking shortly—Generals Chang Hsueh-liang and Han Lin-tsung depart for Paotingfu to inspect troops on the northern section of Peking-Hankow Railway and announce that Fengtien troops will be stationed at Paoting, Taming, Hantang, and Tsechow and will not advance beyond the Yellow River—Southern troops reported as being in Hangchow —Gen. Meng Chao-yuch, subordinate of Sun Chuan-fang takes command of Sun's forces at Sungkiang—Sun's forces reported as digging trenches at Sungkiang—Large forces of Southern troops reported in Lanchi, Chekiang and several prominent Kuomintang agents in Shanghai depart for Hangchow.

Canton Demands Proportionate Share of Customs Receipts

According to report from Hankow on Dec. 14, Eugene Chen, Minister of Foreign Affairs of the Canton Nationalist Government has demanded that the Powers hand over to the Nationalist Government the Customs surplus in proportion to the territory of China which is controlled by the Nationalist faction. The demand was made in connection with conversations which have been held recently between Mr. Chen and Miles W. Lampson, British Minister to China who is now in Hankow nogotiating with the officials of the Southern Government.

In addition to this demand, Mr. Chen is reported to have informed Mr. Saburi of the Japanese Foreign Office, who is also in Hankow, that the Nationalist Government will refuse to recognize any negotiations conducted between Japan and the Peking Government unless Canton is also consulted.